

the New York Times characterized the plant as on-again and off-again—June 11, 1974. On June 10, 1974, the non-availability of the plant resulted in a major voltage reduction in the New York area. Unexpected cost, unreliability and construction delays with Indian Point No. 3 contributed to a derating of Con Edison bond issues. This led to higher

interest rates and both interest and operating expenses caused the company to omit its first quarter dividends. To raise necessary money, Con Ed sold the Indian Point No. 3 plant to the State of New York.

The AEC requires that any company operating a nuclear plant demonstrate sufficient financial solvency to operate

the plant safely. Con Ed's troubles have led AEC to initiate an investigation to determine if sufficient funds are available for Con Ed to continue safe operations.

The nuclear industry, which touts perfection in safety, has been unable to efficiently operate or even keep in operation its nuclear facilities.

## HOUSE OF REPRESENTATIVES—Monday, February 17, 1975

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*Preserve me, O God; for in Thee do I put my trust.—Psalms 16: 1.*

O Thou who art our refuge in every age and our strength for each day, we thank Thee for the glorious history of our beloved Republic and for the heroic service rendered by men and women in our past whose devotion and sacrifice has helped to make and preserve us as a nation.

Particularly this day do we remember our first President and once again listen to the words of wisdom in his Farewell Address. We thank Thee for his courage in adversity, his fortitude in hardship, and his faith which sent him to his knees in prayer that he might learn the way to go.

May the memory of this great American strengthen the soul of America and inspire our people to rise above the difficulties and the discouragements of the present hour as they respond to the challenge to keep freedom and peace active and alive in our troubled world.

We mourn the passing of our beloved colleague, JERRY L. PETTIS. Grant unto his loved ones strength and courage for the living of these days; through Jesus Christ our Lord. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

### GEORGE WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 4, 1975, the Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK) to read George Washington's Farewell Address.

Mrs. FENWICK. Mr. Speaker, I thank the Speaker for extending me this honor.

Mrs. FENWICK read the Farewell Address as follows:

*To the people of the United States.*

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to

me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circum-

stances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who

can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your heart, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*,

it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

When then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalry alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious of liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as the main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as mat-

ter of serious concern, that any ground should have been furnished for characterizing parties by *geographical discriminations*,—*northern and southern*—*Atlantic and western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the

laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state it is requisite, not only, that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human

mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foment occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warning, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting

each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supporters. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinions should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to

have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature, Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment; sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest; in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt

doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith: Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us

provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise, to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1873, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of Congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my

heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.  
GEO. WASHINGTON.

UNITED STATES,

17th September, 1796.

#### REPRESENTATIVE ELIZABETH KEE

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, it is my sad duty to inform the House of the passing of former Representative Elizabeth Kee, who died on Saturday evening at Bluefield, W. Va.

Mrs. Kee was elected in a special election following the death of her husband, the late Representative John Kee, and was sworn in on July 17, 1951. She was reelected six times, and retired undefeated after serving in the House until January 3, 1965. She was succeeded by her son, Representative James Kee, who served in the House from Mrs. Kee's retirement until 1973. It is unique in the history of our Nation that father, mother, and son served in this body over a span of 40 years.

I will obtain time so as to enable all Members to honor Mrs. Kee for her service in the House, at a later date.

[From the Washington Post, Feb. 17, 1975]

#### FORMER REPRESENTATIVE MAUDE ELIZABETH KEE DIES

(By Jean R. Halley)

Former Rep. Maude Elizabeth Kee (D-W. Va.), who succeeded her husband and in turn was succeeded by her son as a member of the U.S. Congress, died Saturday in Bluefield, W. Va. She was 75.

Mrs. Kee, who represented the Fifth District of West Virginia, won a special election to fill the unexpired term of her husband, the late Rep. John Kee, after his death in 1951.

She was re-elected six times to full terms, running unopposed in several elections. When ill health forced her to retire in 1964, she was succeeded by her son, former Rep. James Kee, who held the seat until he lost the primary in 1972.

Both Mrs. Kee and her son were well versed in the affairs of Congress before they took office. She had served as executive secretary to her husband from the time he entered Congress in 1932 until his death. Her son was her administrative assistant when she retired.

Born in Radford, Va., Mrs. Kee attended public and private schools in Montgomery County, Va., and Roanoke and in Bluefield, W. Va. She was a graduate of Roanoke Business College.

While working for her husband, who became chairman of the House Foreign Affairs Committee, Mrs. Kee once described a successful congressional secretary as a combination of "clergyman, lawyer, psychiatrist and family friend."

While holding down a full-time job, she also at one time was the author of a column, "Washington Tidbits," which was syndicated in West Virginia newspapers.

Mrs. Kee played an important role in the establishment of a noted library at the Woodrow Wilson Rehabilitation Center in Fishersville, Va.

Finding that the center, which was established to look after the education and rehabilitation of handicapped persons of all ages, had facilities for a library but no books, she started a campaign for contributions.

As a result, more than 10,000 volumes were given and many of them were autographed by the famous. Among the contributors were President and Mrs. Truman, their daughter, Margaret, Vice President and Mrs. Alben Barkley, Mrs. Woodrow Wilson, Gen. Eisenhower, Winston Churchill, J. Edgar Hoover, Gen. George Marshall and members of the diplomatic corps and of Congress.

After she was elected to Congress, Mrs. Kee was a member of the House Veterans Affairs Committee and chairman of the subcommittee on veterans' education, training and other benefits.

She continued her interest in the handicapped, working with a group of Episcopal ministers in developing a hobby project. She had been an active member of Christ Episcopal Church in Bluefield and of St. James Episcopal Church in Washington.

Mrs. Kee also at one time had been active on the Congressional Club's advisory board and was a member of the American Newspaper Women's Club. She belonged to the Daughters of the American Revolution.

In addition to her son, she is survived by a daughter, Frances; a sister, Hazel Hall Simpkins; a brother, Frank Simpkins, three grandchildren and two great-grandchildren.

#### PERMISSION FOR MEMBERS TO REVISE AND EXTEND IN BODY AND IN EXTENSIONS OF REMARKS

Mr. O'NEILL. Mr. Speaker, without its being considered a precedent, I ask unanimous consent that all Members who desire to do so may have permission to revise and extend their remarks and include extraneous material in the RECORD following the reading of George Washington's Farewell Address and also in that portion of the RECORD entitled "Extensions of Remarks."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SPECIAL ORDERS GRANTED FOR TODAY PUT OVER UNTIL TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that any special orders granted for today be put over until tomorrow, to be called before any special orders previously granted for February 18.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### ROLLCALL VOTES ON TUESDAY, FEBRUARY 18, POSTPONED UNTIL WEDNESDAY, FEBRUARY 19

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all rollcall votes on Tuesday, February 18, except those concerning procedural matters, be postponed until Wednesday, February 19, and be considered as unfinished business on that day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

# PUBLICATION OF RULES OF THE COMMITTEE ON SMALL BUSINESS OF THE HOUSE OF REPRESENTATIVES

Mr. EVINS of Tennessee. Mr. Speaker, pursuant to clause 2(a)(3) of rule XI of the U.S. House of Representatives, I submit for publication in the CONGRESSIONAL RECORD a copy of the rules of the Committee on Small Business as approved by the Committee on Thursday, February 6, 1975:

**RULES OF THE COMMITTEE ON SMALL BUSINESS OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES, 94TH CONGRESS, 1975-76**  
(Adopted February 6, 1975.)

## INTRODUCTION

The following are the Rules of the Committee on Small Business of the House of Representatives for the 94th Congress adopted by the Committee on Small Business.

These Rules are in conformity with the requirements of the Legislative Reorganization Act of 1970 (P.L. 91-510); the Legislative Reorganization Act Amendment of 1971 (P.L. 92-136); H. Res. 988 (93d Cong., 2d Sess.) adopted October 8, 1974, as amended by H. Res. 5 (94th Cong., 1st Sess.) adopted January 14, 1975; and the Rules of the House of Representatives of the United States for the 94th Congress.

## RULE 1—RULES OF THE HOUSE

The Rules of the House of Representatives shall be the Rules of the Committee on Small Business so far as applicable, except that a motion to recess from day to day is a motion of high privilege in the Committee and its subcommittees.

## RULE 2—USE OF TERMS

Except where the terms "Full Committee" and "Subcommittee" are specifically referred to, the following rules shall apply to the Committee on Small Business and its subcommittees, as well as to the respective Chairmen.

## RULE 3—COMMITTEE JURISDICTION

The Committee shall have jurisdiction over all bills, resolutions and other matters relating to (1) assistance to and protection of small business, including financial aid; and (2) participation of small business enterprises in Federal procurement and Government contracts.

In addition to the aforesaid legislative jurisdiction, the Committee shall have general and special oversight functions as hereinafter provided in Rule 4, and additional functions as hereinafter provided in Rule 5.

## RULE 4—OVERSIGHT RESPONSIBILITIES

(A) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (a) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (b) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

the Committee shall have oversight responsibilities as provided in paragraph (B).

(B) The Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its jurisdiction, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried

out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within its jurisdiction (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within its jurisdiction.

(C) The Committee shall have the function of reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction.

(D) The Committee shall have the function of studying and investigating, on a continuing basis, the problems of all types of small business.

## RULE 5—ADDITIONAL FUNCTIONS

(A) The Committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purpose of this paragraph a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

(B) The Committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program should be modified so that appropriations therefor would be made annually.

(C) The Committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(D) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the Committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(E) The Committee, when directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process, shall promptly make such determinations and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

## RULE 6—PROCEDURE

(A) The Committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities and to incur expenses (including travel expenses) in connection therewith.

(B) The Committee is authorized to have printed and bound testimony and other data

presented at hearings held by the Committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of a committee shall be paid from the contingent fund of the House. Hearing records shall be published within 30 days and reports within 60 days after hearings are completed.

(C) The Committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on its activities under this rule and Rule X of the House during the Congress ending at noon on January 3 of such year.

## RULE 7—COMMITTEE MEETINGS

(A) The full Committee shall meet on the second Tuesday of each month at 9:30 a.m. in the Committee Hearing Room—2359 Rayburn Building, for the consideration of any bill or resolution pending before the Committee or for the transaction of other Committee business except when the House is in adjournment or in recess. In the temporary absence of the Chairman at any meeting of the Committee, the ranking Member of the majority party on the Committee who is present shall preside at that meeting.

(B) The Chairman of the full Committee may call and convene, as considered necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business, and written notices of such meeting shall be dispatched to each Member. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(C) If at least three Members of the Committee desire that a special meeting of the Committee be called by the Chairman, those Members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(D) The Committee shall keep a complete record of all Committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(E) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as Chairman of the Committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

(F) The Chairman of any subcommittee may call and convene, as considered necessary, meetings of the subcommittee and hold hearings for the consideration of any bill or resolution pending before or referred to the subcommittee or for the conduct of other subcommittee business under its jurisdiction. Written notices of such meetings shall be dispatched to each Member of the Subcommittee and the subcommittee shall meet for such purpose pursuant to the call of the subcommittee chairman. Such meetings and hearings shall be scheduled after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings wherever possible.

#### RULE 8—FUNCTIONS AND RESPONSIBILITIES OF CHAIRMAN

(A) The Chairman, after consultation with Majority Members, shall establish and define the jurisdiction of subcommittee and, after consultation with the Ranking Minority Member, schedule Committee meetings and hearings and the subject matter thereof, or approve any matter to be studied or investigated by the Committee.

(B) The Chairman shall designate Chairmen and Majority Members of Subcommittees pursuant to Rule M V of the Democratic Caucus Manual, assign and define the studies or investigations to be undertaken by them, and make such changes therein as he deems advisable and appropriate prior to the commencement of such studies or investigations. Appointment of Minority Members to Subcommittees shall be made in accordance with nominations submitted by the Ranking Minority Member of the Committee.

(C) The Chairman presiding at any hearing is responsible for the preservation of order, decorum and propriety of the proceedings in all respects.

(D) The Chairman shall have such additional functions, responsibilities, and powers as are contained in other portions of these Committee Rules, in the Rules of the House, in the laws and statutes in force, and such incidental authority as may be necessary to act as Chairman.

#### RULE 9—ESTABLISHMENT OF SUBCOMMITTEES

(A) There are hereby established the following subcommittees with their jurisdictions:

##### *Subcommittee on SBA and SBIC Legislation*

This Subcommittee shall be responsible for legislation affecting the operations of SBA—the Small Business Act, the Small Business Investment Act, as well as other legislation referred to the Committee by the Speaker.

##### *Subcommittee on Energy and Environment*

This Subcommittee shall be responsible for oversight, investigation and review of all problems affecting small business arising from matters concerning energy and the environment; jurisdiction would include marketing of petroleum products, transportation of petroleum products, review of natural gas and synthetic fuel development, coal, nuclear energy, petrochemical matters, and environmental problems.

##### *Subcommittee on Government Procurement and International Trade*

This Subcommittee shall be responsible for oversight, investigation and review of all problems affecting small business relating to government procurement, as well as the problems of small business in international trade; jurisdiction would include procurement under regular government procurement programs, Small Business Act 8(a) procurement by SBA, set-asides, subcontracting, renegotiation of government contracts, and government regulations involving small business procurement problems.

##### *Subcommittee on SBA Oversight and Minority Enterprise*

This Subcommittee shall be responsible for the investigation and review of SBA operations and of matters affecting minority business enterprise.

##### *Subcommittee on Activities of Regulatory Agencies*

This Subcommittee shall be responsible for oversight, investigation and review of all problems affecting small business relating to concentration, monopoly and other matters involving regulatory agencies; jurisdiction would include unfair and deceptive trade practices, advertising techniques, credit regulation, monopolistic practices, and antitrust and anticompetitive practices.

##### *Subcommittee on Commodities and Services*

This Subcommittee shall be responsible for oversight, investigation and review of all activities affecting small business concerning products, commodities, and services except for matters relating to energy; jurisdiction would include services industry problems, product and commodities problems, grain marketing and transportation, freight forwarding and customs brokerage, franchising, red tape and paperwork burdens of small business, and similar matters.

(B) The full Committee Chairman may, in his discretion, establish such additional subcommittees as he deems appropriate, but any such subcommittee so established shall be only on an ad hoc and temporary basis.

(C) Each subcommittee of the Committee is a part of this Committee and is subject to its authority and direction and to its rules.

A Subcommittee shall not hold hearings or undertake any study or investigation of a matter not assigned to it.

(D) There shall be appointed to each standing Subcommittee at least two Members of the Minority Party, and all appointments of Minority Members shall be made in accordance with nominations submitted by the Ranking Minority Member of the Committee.

(E) Party representation upon each standing Subcommittee shall have the same numerical ratio as Party representation on the full Committee.

#### RULE 10—COMMITTEE STAFF

##### *(A) Professional Staff.*

(1) The full Committee, by majority vote, may authorize the appointment of not more than eighteen professional staff members. Each such staff member shall be appointed by the Chairman.

(2) Whenever a majority of the Minority Party Members so request, not more than six persons may be selected, by majority vote of the Minority Party Members, for appointment as professional staff members from among the number authorized by paragraph (1) of this Rule, whose character and qualifications are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the Minority Party Members may select other persons for appointment to the professional staff until such appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such Committee business as the Minority Party Members of the Committee consider advisable.

(3) The professional staff members of the Committee—  
(a) shall be appointed on a permanent basis, without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions;  
(b) shall not engage in any work other than Committee business; and  
(c) shall not be assigned any duties other than those pertaining to Committee business.

(4) Services of the professional staff mem-

bers of the Committee may be terminated by majority vote of the full Committee.

##### *(B) Clerical Staff.*

(1) The clerical staff of the Committee shall consist of not more than twelve clerks to be appointed by the Chairman of the full Committee. The clerical staff shall be appointed without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions. Such clerical staff shall handle Committee correspondence and stenographic work on matters related to Committee business.

(2) Whenever a majority of the Minority Party Members of the Committee so request, four persons may be selected, by majority vote of the Minority Party Members, for appointment by the Ranking Minority Member to positions on the clerical staff from among the number of clerks authorized by paragraph (B) (1) whose character and qualifications are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the Minority Party Members may select other persons for appointment to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this paragraph shall handle Committee correspondence and stenographic work on matters related to Committee business.

(3) Services of the clerical staff members of the Committee may be terminated by majority vote of the full Committee.

##### *(C) Salaries.*

Each employee on the professional staff, and each employee on the clerical staff of the Committee, is entitled to pay at a single per annum gross rate, to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code.

##### *(D) Nonpartisan Staff.*

Notwithstanding paragraphs (A) (2) and (B) (2) of this Rule, the Committee may employ nonpartisan staff, in lieu of or in addition to Committee staff designated exclusively for the Majority or Minority Party, upon an affirmative vote of a majority of the Members of the Majority Party and a majority of the Members of the Minority Party.

##### *(E) Consultants.*

The Chairman of the full Committee, with the approval of the Committee on House Administration, may contract for the services of individual consultants and others, as provided under the terms of section 303 of the Legislative Reorganization Act of 1970 (Public Law 91-510) and other provisions of the law, to make studies or advise the Committee with respect to any matter within its jurisdiction.

##### *(F) Staff Title Designations.*

The Chairman of the full Committee shall designate such titles for members of the professional staff, clerical staff, nonpartisan staff, and consultants, as are indicated of their respective duties and as he may deem appropriate. The Minority Party professional and clerical staffs may be designated with such titles as the Ranking Minority Party Member of the Committee may recommend to the Chairman as being appropriate.

##### *(G) Staff Administration.*

Duties and responsibilities of staff members shall be performed and staff personnel affairs and day to day operations shall be administered under the direct supervision and control of the Executive Director, who shall be responsible for providing timely, effective and economical staff services to the Committee and its Subcommittees.

#### RULE 11—HEARINGS AND MEETINGS PROCEDURES

##### *(A) Open meetings and hearings.*

(1) Each meeting for the transaction of

business, including the markup of legislation, of the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however*, That no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open Committee hearings which are provided for by subparagraph (2) of this Rule, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however*, That the Committee or Subcommittee may by the same procedure vote to close one subsequent day of hearing.

(3) The Committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before the commencement of the hearing. If the Committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly sent for publication in the Daily Digest of the Congressional Record.

(4) The Committee shall, insofar as is practicable, require each witness who is to appear before it to file with the Committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by the Committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this paragraph; except that a point of order on that ground may be made by any Member if, in the Committee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

#### (B) Quorum.

A majority of the Members of the Committee or any Subcommittee thereof shall constitute a quorum for the transaction of Committee or Subcommittee business, except that two or more shall constitute a quorum for the purpose of the taking of evidence, including sworn testimony.

#### (C) Proxies.

A vote by any Member of the Committee or any of its subcommittees by proxy is permitted, provided that such proxy shall be in writing, and delivered to the Clerk of the Committee, shall assert that the Member so voting by proxy is absent on official business or is otherwise unable to be present at the meeting of the Committee or its subcommittee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(D) No meetings during House Five-Minute Rule.

Neither the Committee nor any of its Subcommittees may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(E) Calling and interrogation of witnesses.

(1) Whenever any hearing is conducted by the Committee upon any measure or matter, the Minority Party Members on the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the Minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) The Committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each Member of the Committee who so desires has had an opportunity to question each witness.

(F) Investigative hearing procedures.

(1) The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the Committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purposes of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the Committee may cite the offender to the House for contempt.

(5) If the Committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person, it shall—

(a) receive such evidence or testimony in executive session;

(b) afford such person an opportunity voluntarily to appear as a witness; and

(c) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the Chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee.

(8) In the discretion of the Committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee.

(G) Reporting bills and resolutions.

(1) It shall be the duty of the Chairman of the full Committee to report or cause to be reported promptly to the House any measure approved by the Committee and to take or cause to be taken necessary steps to bring the matter to vote.

(2) In any event, the report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the Committee a written request, signed by a majority of the Members of the Committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(3)(a) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(b) With respect to each rollcall vote on

a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Committee report.

(4) The report on a measure which has been approved by the Committee shall include (i) the oversight findings and recommendations required by House Rule X(2) (b) (1) separately set out and clearly identified; (ii) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (iii) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the Committee; and (iv) a summary of the oversight findings and recommendations made by the Committee on Government Operations separately set out and clearly identified whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure.

(5) Each report of the Committee on each bill or joint resolution of a public character reported shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(6) If, at the time of approval of any measure or matter by the Committee, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that Member, with the clerk of the Committee. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(a) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report; and

(b) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted) are included as part of the report.

The foregoing provisions shall not preclude—

(c) the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as hereinabove provided; or

(d) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

(7) If hearings have been held on any such measure or matter so reported, the Committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House.

(H) Reports on Investigative Hearings. The report of any subcommittee on a matter which was the topic of a study or investigation shall include a statement concerning the subject of the study or investigation, the findings and conclusions, and recom-

mendations for corrective action, if any, together with such other material as the subcommittee deems appropriate.

Such proposed report shall first be approved by a majority of the subcommittee Members. After such approval has been secured, the proposed report shall be sent to each Member of the full Committee for his approval or his supplemental, minority or additional views. Any such additional views shall be in writing and signed by the Member and filed with the Clerk of the Committee within five calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of the transmittal of the proposed report to the Members.

After the expiration of such five calendar days, the report may be filed as a House Report and any such additional views filed by one or more Members of the Committee shall be included within, and shall be a part thereof. Such report shall be printed in a single volume which—

(a) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(b) shall bear upon its cover a recital that any such supplemental, minority, or additional views are included as part of the report.

#### RULE 12—POWER TO SIT AND ACT

For the purpose of carrying out any of its functions and duties under this Rule and Rule X of the Rules of the House, the Committee, or any Subcommittee thereof, is authorized—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings; and

(B) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or the Chairman of a subcommittee, may administer oaths to any witness.

#### RULE 13—SUBPOENA POWER

(A) A subpoena may be issued by Committee or Subcommittee in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members of the Committee, and authorized subpoenas shall be signed by the Chairman of the full Committee or by any Member designated by the Committee.

(B) Compliance with any subpoena issued by a Committee or Subcommittee may be enforced only as authorized or directed by the House.

#### RULE 14—BROADCASTING OF COMMITTEE HEARINGS

(A) Whenever any hearing or meeting conducted by the Committee is open to the public, the Chairman of the full Committee may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography (or by any of such methods of coverage), but only in accordance with the purposes, provisions and requirements of this Rule.

(B) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(C) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This paragraph is supplementary

to the rule, relating to the protection of the rights of witnesses.

(D) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions or the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(E) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(F) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(G) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(H) Floodlights, spotlights, strobelsights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(I) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(J) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the Committee.

(K) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by other media.

(L) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(M) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(N) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

#### RULE 15—EXPENSES OF COMMITTEE

(A) The Committee may not be committed to any expense whatever without the prior approval of the Chairman of the full Committee.

(B) Travel funds authorized for the Committee under the Rules of the House are for expenses incurred in the Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States. No appropriated funds shall be expended for the purpose of defraying expenses of Members of the Committee or its employees in any country where local currencies are available for this purpose; and the following conditions

shall apply with respect to their use of such currencies:

(1) No Member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(2) Each Member or employee of the Committee shall make to the Chairman of the Committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier; or, if such transportation is furnished by an agency of the United States Government, the cost of such transportation and the identification of the agency. All such individual reports shall be filed by the Chairman with the Committee on House Administration and shall be open to public inspection.

#### PUBLICATION OF RULES OF THE COMMITTEE ON BANKING, CURRENCY AND HOUSING

Mr. REUSS. Mr. Speaker, on behalf of the Committee on Banking, Currency, and Housing, and pursuant to clause 2 of rule XI of the rules of the House, I am pleased to place in the RECORD the Committee's Rules of Procedure for the 94th Congress.

These rules were adopted in an open meeting of the committee on January 29, 1975.

On January 28, 1975, the full Democratic membership of the Committee on Banking, Currency and Housing met pursuant to rule M III A of the manual of the Democratic Caucus. Subcommittee chairmen were elected pursuant to the rules outlined in MVA of the caucus manual and subcommittee assignments were filled according to steps 1, 2, and 3 of manual rule MVB.

I am pleased also to place in the RECORD the subcommittee assignments of the Committee on Banking, Currency and Housing.

Jurisdiction and number of subcommittees, powers and duties of subcommittees, reference of legislation and other matters, party ratios on each subcommittee, and subcommittee budget and staffing were all determined and are being implemented precisely according to the terms of caucus manual rule M III A (1) through (5).

The rules and subcommittee assignments follow:

#### RULES FOR THE HOUSE COMMITTEE ON BANKING, CURRENCY, AND HOUSING

##### RULE NO. I—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under rule X of House Rules and (subject to the adoption of expense resolutions as required by rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data

presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

#### RULE NO. II—REGULAR AND SPECIAL MEETINGS; OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committee shall be held on the first and third Tuesday of each month while the Congress is in session. When the chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

(f) (1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: Provided, however, That no person other than members of the committee and such congressional staff and such departmental representatives as

they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a) (3) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; Provided, however, that the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

#### RULE NO. III—RECORDS AND ROLLCALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting. A record vote may be demanded by any three of the Members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or such resolution shall be included in the committee report.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

#### RULE NO. IV—PROXIES

(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, only if that member is attending another committee or subcommittee meeting on which that member serves, and where said committee or subcommittee is in a mark-up session; this shall also cover attendance of the member at Joint Conference Committees and meetings of the House and/or Joint Budget Committees. Such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:  
Hon. \_\_\_\_\_,  
House of Representatives,  
Washington, D.C.

Dear \_\_\_\_\_: I will be attending a meeting of the \_\_\_\_\_ which is in markup session. I hereby authorize you to vote in my

place and stand in the consideration of \_\_\_\_\_ and any amendments or motions pertaining thereto.

Member of Congress

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at the time of \_\_\_\_\_ p.m./a.m.

RULE NO. V

#### POWER TO SIT AND ACT; SUBPENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b) (1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b) (1) A subpoena may be issued by the committee or subcommittee under subparagraph (a) (2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members of the committee and authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a) (2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpoenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representatives, prior to leaving the hearing room.

#### RULE NO. VI—QUORUMS

A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: Provided, That any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

#### RULE NO. VII—HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify all members of the committee and the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, 100 copies of his proposed testimony and may be required to limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon

request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the majority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members to each minority member recognized.

(g) The following additional rules shall apply to investigative hearings:

(1) The chairman at any investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may review and photostat a copy of his or her testimony given at a public session or, if given at an executive session, when authorized by the committee.

#### RULE NO. VIII—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a) (1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b) (1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include

(1) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of rule X of the House separately set out and clearly identified;

(2) the statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The re-

port of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee or any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Member of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both House of Congress.

#### RULE NO. IX—OVERSIGHT SUBCOMMITTEE

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall in conformity with rule XV there shall be established an Oversight Subcommittee.

(b) The Oversight Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities have responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Oversight Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake futures research and forecasting on matters within the jurisdiction of the committee. The Oversight Subcommittee shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Oversight Subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

**RULE NO. X—REVIEW OF CONTINUING PROGRAMS;  
BUDGET ACT PROVISIONS**

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing program and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of rule XIII of the House Rules.

(b) The Committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

**RULE NO. XI—BROADCASTING OF COMMITTEE  
HEARINGS**

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearings or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any member or bring the House, the committee, or any member into disrepute.

(d) The coverage of the committee hearings and meetings of television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provision to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member of each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing

any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

**RULE NO. XII—COMMITTEE AND SUBCOMMITTEE  
BUDGETS**

(a) The chairman, in consultation with the majority members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee, and after consultation with the minority membership, the chairman shall include amounts budgeted to the minority members for staff personnel to be under the direction and supervision of the minority, travel expenses of minority members and staff, and minority office expenses. All travel expenses of minority members and staff shall be paid for out of the amounts so set aside and budgeted.

(b) (1) The chairman of each subcommittee, in consultation with the majority members thereof, shall prepare a budget to include funds for staff, travel, investigations, and miscellaneous expenses as may be required for the work of the subcommittee.

(2) The chairman of each subcommittee shall control the funds provided for in the subcommittee budget.

(c) The chairman shall combine the proposals of each subcommittee with the preliminary budget of the full committee into a consolidated committee budget, and shall present the same to the committee for its approval. The chairman shall then take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(d) Authorization for the payment of additional or unforeseen committee and subcommittee expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) The chairman or any chairman of the subcommittee may initiate necessary travel requests as provided in rule XIV within the limits of their portion of the consolidated budget as approved by the House and the chairman may execute necessary vouchers thereof.

(f) Once monthly, at the regularly scheduled meetings, the chairman shall submit to

the committee, in writing, for its approval, or other action, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the full committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

**RULE NO. XIII—COMMITTEE AND SUBCOMMITTEE STAFF**

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes by the committee; provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority part staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the chairman in consultation with and with the approval of the majority members of the committee within the budget approved for such purposes by the committee.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they determine appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff be available to all members of the committee.

(f) (1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of the House Rule XI; provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (1) and (2) and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of a majority of the majority members of the full committee, within the budget approved for the subcommittee.

(7) The professional and clerical staff of

a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

**RULE NO. XIV—TRAVEL OF MEMBERS AND STAFF**

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

- (1) The purpose of the travel;
- (2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;
- (3) The location of the event for which the travel is to be made;
- (4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the chairman. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with rule VII of the committee.

(c) (1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman, or, in the case of a subcommittee from the subcommittee chairman and the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

- (A) the purpose of the travel;
- (B) the dates during which the travel will occur;
- (C) the names of the countries to be visited and the length of time to be spent in each;
- (D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and
- (E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the chairman or the chairman of a subcommittee (except that individuals may submit a request to the chairman for the purpose of attending a conference or meeting).

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each

subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and the Committee on House Administration pertaining to such travel.

**RULE NO. XV—NUMBER AND JURISDICTION OF SUBCOMMITTEES**

(a) There shall be nine standing subcommittees as follows: Subcommittee on Domestic Monetary Policy; Subcommittee on Housing and Community Development; Subcommittee on Economic Stabilization; Subcommittee on Consumer Affairs; Subcommittee on International Development Institutions and Finance; Subcommittee on Financial Institutions Supervision, Regulation and Insurance; Subcommittee on International Trade, Investment and Monetary Policy; Subcommittee on General Oversight and Renegotiation; and Subcommittee on Historic Preservation and Coinage. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively.

**Subcommittee on Domestic Monetary Policy**

The jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all matters relating to monetary policy and agencies which directly or indirectly affect monetary policy, including the effect of such policy and other financial actions on interest rates, allocation of credit, and the structure and functioning of domestic and foreign financial institutions.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all private foundations and charitable trust.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to Federal and State-chartered credit unions to the extent they are not under the jurisdiction of other subcommittees.

**Subcommittee on Housing and Community Development**

The jurisdiction of the Subcommittee on Housing and Community Development extends to all matters relating to housing and mortgage credit (except programs administered by the Veterans' Administration), including mortgage and loan insurance pursuant to the National Housing Act; FHA mortgage interest rates; rural housing; housing assistance programs; secondary mortgage market programs and all other activities of FNMA, GNMA, and FHLMC; private mortgage insurance; housing construction and design standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; counseling and technical assistance; regulation of the housing industry (including landlord-tenant relations); real estate lending powers of financial institutions (including regulation of settlement costs); and interest charges for members of the Federal Home Loan Bank System.

The jurisdiction of the subcommittee further extends to matters relating to community development and community planning, training and research, including community development block grants; urban renewal; model cities; rehabilitation loans and grants; neighborhood facilities grants; open space land and urban beautification grants; water and sewer facilities grants; public facilities loans; national, urban or community development banks; advance acquisition of land programs; new communities assistance programs; national urban growth policies; comprehensive planning (including land use and areawide programs); community develop-

ment training and fellowships; and urban research and technologies.

Further, jurisdiction of the subcommittee extends to flood insurance and related land use controls, urban property protection and reinsurance, crime insurance, and regulation of interstate land sales.

#### *Subcommittee on Economic Stabilization*

The jurisdiction of the Subcommittee on Economic Stabilization shall extend to all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic stabilization, and all defense production matters as contained in the Defense Production Act of 1950, as amended, and all related matters thereto.

#### *Subcommittee on Consumer Affairs*

The jurisdiction of the Subcommittee on Consumer Affairs shall include all matters relating to consumer credit, including those matters in the Consumer Credit Protection Act dealing with truth-in-lending, extortionate credit transactions, restrictions on garnishment, reports of the National Commission on Consumer Finance, and fair credit reporting. The jurisdiction shall further include collection practices, discrimination in the extension of consumer credit, creditor remedies and debtor defenses. Federal aspects of the Uniform Consumer Credit Code, and credit cards.

The jurisdiction of the subcommittee shall further extend to matters relating to the price of consumer goods, services, and commodities; the rationing of consumer products; and hoarding.

#### *Subcommittee on International Development Institutions and Finance*

The jurisdiction of the Subcommittee on International Development Institutions and Finance extends to all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto; and monetary and financial developments as they relate to the activities and objectives of such institutions.

#### *Subcommittee on Financial Institutions Supervision, Regulation and Insurance*

The jurisdiction of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance extends to all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit or other insurance for financial or other institutions, the establishment of interest rate ceilings on deposits, and all auxiliary matters affecting or arising in connection with the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund, the Federal Home Loan Bank Board, the Federal Reserve Board and System, the National Credit Union Administration, and the Comptroller of the Currency, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions.

Further, jurisdiction extends to and includes, with respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers and acquisitions, consolidations, and conversions.

#### *Subcommittee on International Trade, Investment and Monetary Policy*

The Subcommittee on International Trade, Investment and Monetary Policy shall have jurisdiction over all matters within the jurisdiction of the committee relating to international trade, including but not limited to the activities of the Export-Import Bank.

Further, the jurisdiction of the subcommittee shall extend to international invest-

ment policies, both as they relate to U.S. investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

Further, the subcommittee shall have jurisdiction over the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto.

#### *Subcommittee on General Oversight and Renegotiation*

The Subcommittee on General Oversight and Renegotiation shall assist the House Committee on Banking, Currency and Housing in appraising the administration of the laws and regulations under the jurisdiction of the committee and present such recommendations as deemed necessary to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall exercise continuing oversight of the execution by the administrative agencies concerning any of the laws the subject matter of which reside within the jurisdiction of the committee and shall study all pertinent reports, documents and data pertinent to the jurisdiction of the committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall have full jurisdiction over the Renegotiation Act of 1951, as amended.

#### *Subcommittee on Historic Preservation and Coinage*

The jurisdiction of the Subcommittee on Historic Preservation and Coinage includes FHA property improvement loans under title I of the National Housing Act which can be used to finance the preservation of historic structures; community development block grant funds authorized under title I of the 1974 Housing Act which can be used to finance the acquisition and preservation of historic properties; and section 701 comprehensive planning grants to public bodies which can be used to finance surveys of historic sites and structures.

Further, the subcommittee's jurisdiction extends to all matters relating to coins, coinage, currency and medals, including commemorative coins, commemorative medals, proof and mint sets and other special coins, Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, and currency denominations and designs.

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

(c) A member serving as chairman of any subcommittee on this committee shall not also serve as the chairman of a subcommittee on any other standing committee; Provided, however, that this provision shall not apply to members serving as subcommittee chairman on the Budget Committee; House Administration Committee; Joint Committees; or on the Small Business Committee who served as a subcommittee chairman on the Select Committee on Small Business as of October 8, 1974.

#### *Subcommittees of the Committee on Banking, Currency and Housing* *Domestic Monetary Policy*

Wright Patman, Tex., Chairman; Joseph G. Minish, N.J.; Harold E. Ford, Tenn.; Mark W. Hannaford, Calif.; Stephen L. Neal, N.C.; James J. Blanchard, Mich.; William A. Barrett, Pa.; John B. Conlan, Ariz.; George Hansen, Idaho; Willis D. Gradison, Jr., Ohio.

#### *Housing and Community Development*

William A. Barrett, Pa., Chairman; Leonor K. (Mrs. John B.) Sullivan, Mo.; Thomas L. Ashley, Ohio; William S. Moorhead, Pa.;

Robert G. Stephens, Jr., Ga.; Fernand J. St Germain, R.I.; Henry B. Gonzalez, Tex.; Parren J. Mitchell, Md.; James M. Hanley, N.Y. Walter F. Fauntroy, D.C.; Lindy (Mrs. Hale) Boggs, La.; Jerry M. Patterson, Calif.; Andrew Maguire, N.J.; Harold E. Ford, Tenn.; John J. LaFalce, N.Y.; Les AuCoin, Oreg.; Thomas M. Rees, Calif.

Garry Brown, Mich.; J. William Stanton, Ohio; John H. Rousselot, Calif.; Chalmers P. Wylie, Ohio; Stewart B. McKinney, Conn.; John B. Conlan, Ariz.; Richard Kelly, Fla.; Charles E. Grassley, Iowa.

#### *Economic Stabilization*

Thomas L. Ashley, Ohio, Chairman; James J. Blanchard, Mich.; Carroll Hubbard, Jr., Ky.; John J. LaFalce, N.Y.; Leonor K. (Mrs. John B.) Sullivan, Mo.; Thomas M. Rees, Calif.; Jerry M. Patterson, Calif.; Andrew Maguire, N.J.

Gladys Noon Spellman, Md.; Paul E. Tsongas, Mass.; Fernand J. St Germain, R.I.; Stewart B. McKinney, Conn.; J. William Stanton, Ohio; Richard T. Schulze, Pa.; Willis D. Gradison, Jr., Ohio; Richard Kelly, Fla.

#### *Consumer Affairs*

Frank Annunzio, Ill., Chairman; Leonor K. (Mrs. John B.) Sullivan, Mo.; Gladys Noon Spellman, Md.; William A. Barrett, Pa.; Henry B. Gonzalez, Tex.; Walter E. Fauntroy, D.C.; Stephen L. Neal, N.C.; Chalmers P. Wylie, Ohio; Millicent Fenwick, N.J.; Charles E. Grassley, Iowa.

#### *International Development Institutions and Finance*

Henry B. Gonzalez, Tex., Chairman; Paul E. Tsongas, Mass.; Lindy (Mrs. Hale) Boggs, La.; Robert G. Stephens, Jr., Ga.; James M. Hanley, N.Y.; Thomas M. Rees, Calif.

Walter E. Fauntroy, D.C.; Gladys Noon Spellman, Md.; Carroll Hubbard, Jr., Ky.; Albert W. Johnson, Pa.; Henry J. Hyde, Ill.; Charles E. Grassley, Iowa; Millicent Fenwick, N.J.

#### *Financial Institutions Supervision, Regulation and Insurance*

Fernand J. St Germain, R.I., Chairman; Frank Annunzio, Ill.; William A. Barrett, Pa.; James M. Hanley, N.Y.; William S. Moorhead, Pa.; Carroll Hubbard, Jr., Ky.; Wright Patman, Tex.; Stephen L. Neal, N.C.; Jerry M. Patterson, Calif.

Butler Derrick, S.C.; Thomas L. Ashley, Ohio; Walter E. Fauntroy, D.C.; Lindy (Mrs. Hale) Boggs, La.; John H. Rousselot, Calif.; Albert W. Johnson, Pa.; Chalmers P. Wylie, Ohio; Garry Brown, Mich.; Willis D. Gradison, Jr., Ohio; Henry J. Hyde, Ill.

#### *International Trade, Investment and Monetary Policy*

Thomas M. Rees, Calif., Chairman; Stephen L. Neal, N.C.; Philip H. Hayes, Ind.; Mark W. Hannaford, Calif.; James J. Blanchard, Mich.; Andrew Maguire, N.J.; Les AuCoin, Oreg.; Paul E. Tsongas, Mass.; William S. Moorhead, Pa.

Fernand J. St Germain, R.I.; Carroll Hubbard, Jr., Ky.; John J. LaFalce, N.Y.; Thomas L. Ashley, Ohio; J. William Stanton, Ohio; Garry Brown, Mich.; John B. Conlan, Ariz.; Henry J. Hyde, Ill.; Richard Kelly, Fla.; Millicent Fenwick, N.J.

#### *General Oversight and Renegotiation*

Joseph G. Minish, N.J., Chairman; Parren J. Mitchell, Md.; Butler Derrick, S.C.; Philip H. Hayes, Ind.; Henry B. Gonzalez, Tex.; Fernand J. St Germain, R.I.; Lindy (Mrs. Hale) Boggs, La.; George Hansen, Idaho; John H. Rousselot, Calif.; Stewart B. McKinney, Conn.

#### *Historic Preservation and Coinage*

Robert G. Stephens, Jr., Ga., Chairman; Gladys Noon Spellman, Md.; Frank Annunzio, Ill.; Philip H. Hayes, Ind.; Mark W. Hannaford, Calif.; Richard T. Schulze, Pa.; Albert W. Johnson, Pa.

**RULE NO. XVI—POWERS AND DUTIES OF SUBCOMMITTEES**

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) The subcommittee chairman and the ranking minority member of the subcommittee shall be responsible for explanations, either oral or in writing, to the full committee of any bill, resolution or other matter reported to the full committee. Provided, that this shall not be construed in any way to limit the debate in full committee nor the right of any member to present his individual views.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: Provided, that no bill reported by a subcommittee shall be considered by the full committee unless each member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and a section-by-section analysis of the proposed change, and a section-by-section justification.

**RULE NO. XVII—REFERRAL OF LEGISLATION TO SUBCOMMITTEES**

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in rule XV referred to or initiated by the full committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until 3 days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to

whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) Committee reports shall be filed at such time as the committee shall determine with reasonable time allowed for members to file supplemental, individual, dissenting or other views.

(d) In carrying out rule XVII with respect to any matter, the chairman may refer the matter simultaneously to two or more subcommittees, consistent with rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter pursuant to rule X to a special ad hoc committee appointed by the chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

**RULE NO. XVIII—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES**

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments: Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee; and provided further, that the majority party members may limit the number of subcommittee assignments of the chairman and the subcommittee chairmen and the minority party members may limit the number of subcommittee assignments of ranking minority party members in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of at least two majority party members for each minority party member, plus one majority party member. In calculating the ratio of majority party members to minority party members, there shall be included all ex-officio voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Domestic Monetary Policy: Total—10. Majority—7. Minority—3.

(2) Subcommittee on Housing and Community Development: Total—25. Majority—17. Minority—8.

(3) Subcommittee on Economic Stabilization: Total—16. Majority—11. Minority—5.

(4) Subcommittee on Consumer Affairs: Total—10. Majority—7. Minority—3.

(5) Subcommittee on International Development Institutions and Finance: Total—13. Majority—9. Minority—4.

(6) Subcommittee on Financial Institutions Supervision, Regulation and Insurance: Total—19. Majority—13. Minority—6.

(7) International Trade, Investment and Monetary Policy: Total—19. Majority—13. Minority—6.

(8) Subcommittee on General Oversight and Renegotiation: Total—10. Majority—7. Minority—3.

(9) Subcommittee on Historic Preservation and Coinage: Total—7. Majority—5. Minority—2.

(d) The full committee chairman, or a member designated by a majority of the majority members on the committee, shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in

a manner determined by them, and (2) selected by the minority party members of the committee in a manner determined by them. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of at least two majority party members for each minority party member, plus one majority party member.

**SPECIAL ORDERS GRANTED**

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HECHLER of West Virginia, for 1 hour, February 24, 1975, to revise and extend his remarks and include extraneous material.

(The following Members (at the request of Mr. ROUSSELOT) to revise and extend their remarks and include extraneous material:)

Mr. HASTINGS, for 5 minutes, February 18.

Mr. HASTINGS, for 15 minutes, February 19.

Mr. BAUMAN, for 15 minutes, February 18.

**THE LATE HONORABLE JERRY L. PETTIS**

Mr. ROUSSELOT. Mr. Speaker, it is with a heavy heart and a sense of regret that those of us in the California delegation—and our colleague, the Honorable BOB WILSON, was sorry he could not be here today—announce the passing of our good and close friend, JERRY PETTIS.

JERRY was a very devoted public servant. He gave full and total time to this job. He was always on the job when he was to be present, and we regret very much that he has left us in such a tragic way. He knew and totally studied all of his responsibilities as a Member of this House, and was a very thorough member of the Ways and Means Committee.

Prior to his service in the House of Representatives he had built many successful businesses in the private market system, and proved that the system worked, especially for the consumer.

He brought that knowledge and that capability to this House of Representatives and was able to bring that insight to the Committee on Ways and Means which plays such an important role in the House of Representatives. The Ways and Means Committee affects every single citizen of this country, and JERRY carried that responsibility with a sense of deep concern for all those affected by its actions.

JERRY PETTIS was a very fine religious man and believed thoroughly in spiritual values as an important part of life. He leaves a family rich in the tradition of those religious values. We know that it will be of comfort to Shirley and his children to be aware that these religious values will help all of them in this time of need.

The California delegation will announce at another time a special order so that others will have the opportunity to comment on their feelings about this fine public servant, JERRY PETTIS. We are well aware that he has many friends in this House and outside this Congress.

I would like to yield to my colleague, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman yielding.

When my office was called last Friday to advise me of the possibility of JERRY PETTIS' plane crashing, I was stunned. When the final word came to me, our worst fears had come true, and I just felt crushed, for it was just a few weeks ago that I had appointed JERRY PETTIS as my deputy whip here on the Republican side.

Since that time we have had occasion to meet frequently, making plans for the whip organization. I was counting on him so much to give us the help we desperately needed.

As the gentleman from California (Mr. ROUSSELOT) has indicated, this is not the time for extended eulogies, as most of the California delegation remained out in California at the conclusion of the Lincoln Day recess and will stay there for the funeral; but I do want to extend my unbounded sympathy to Shirley and their three children, Yvonne, Peter, and Debra.

Mr. Speaker, I should like to announce that funeral services will be held tomorrow at 1 p.m. at the University Church, Loma Linda, Calif., with burial in the Monte Cito Memorial Park.

Funeral arrangements are being handled by the Emerson-Bartlett Mortuary, 703 Brookside Avenue, Redlands, Calif.

Messages can be sent either there or in care of Dr. and Mrs. Harold McCumber, 24934 Tulip Avenue, Loma Linda, Calif. 93254.

In lieu of flowers, the family has requested that contributions be made to the JERRY L. PETTIS Veterans Hospital, Memorial Chapel Fund, Post Office Box 425, San Bernardino, Calif. 92402.

It is my understanding, Mr. Speaker, that the congressional delegation here in Washington that will be attending the funeral will gather on the House steps at 8:45 in the morning to leave for Andrews Air Force Base and to have wheels up as soon as we can and then returning to Washington very late tomorrow evening.

Mr. ROUSSELOT. Mr. Speaker, I yield to my colleague, the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Speaker, all of us share the sorrow and deep regret at the passing of our colleague, the gentleman from California, Mr. JERRY PETTIS. All of us in the California Delegation will participate later in eulogies to this great man; but it should be said at this time that JERRY PETTIS' untimely death is a great loss to this House and a great loss to the country.

JERRY PETTIS at 58 years of age had many more years of remarkably competent service to give to his country. He had been a flyer in World War II, an instructor; he flew over the Hump in China. He was an inventor of remarkable capacity, a businessman, an educator, an economics professor, a man who had been a commercial flyer with the United Airlines and a principal assistant to President Patterson of United Airlines in the beginning of United's operations in this country. Here was a man who had

much to give to his country, as he had given in the past.

I feel a real sense of personal loss. My wife and I went with Shirley and JERRY to China in 1973. They were a remarkable couple, with a very fine family.

Mr. Speaker, we extend our deepest sympathy to Shirley and the family.

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for his comments.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I am happy to yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, I join my colleagues in expressing at this particular time our regrets to the wife of JERRY and his family.

I knew JERRY well. He was an extremely interesting fellow with an amazing background both in the business world and as an inventor, aviator, and a loyal Member of this House. He was true to the philosophy in which he believed. No matter by what means or method we measure a man, JERRY PETTIS was a great man.

Mr. Speaker, I will enlarge upon my remarks at a later time.

Mr. ROUSSELOT. Mr. Speaker, I thank the distinguished majority leader for his remarks.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Ohio.

Mr. DEVINE. Mr. Speaker, I thank the gentleman from California for yielding to me, and join with the others here on the floor today in paying tribute to one of God's great people, JERRY PETTIS of California.

I was shocked to learn of the manner in which he passed away. Just the last week before our recess period I had breakfast with JERRY. We had a rather lengthy discussion about air safety and talked about ground proximity warning indicators and so forth. I never knew of a man more dedicated to safety in the field of aviation than JERRY. He was a long time commercial pilot for United Airlines and a highly successful businessman in his own right. He flew all over his district.

Mr. Speaker, I have to believe that there were some factors beyond his control which caused him to pancake into the mountain as he did on this occasion.

He made tremendous contributions to this House as well as to this country through his dedicated public service. He was an objective man, especially in analyzing the great issues before our country.

Mr. Speaker, I join the gentleman in the well and the others here in paying tribute to him, to his memory and to his family, to whom we all wish to offer our condolences.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman from Ohio for his remarks. Our colleague, Mr. DEVINE, is right when he says that JERRY PETTIS gave many hours to solving the problems of air safety.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York (Mr. CONABLE), a fellow Member with JERRY on the Ways and Means Committee.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for yielding to me.

I sat next to JERRY PETTIS on the Ways and Means Committee, and I knew him very well and admired his character and his abilities. I share in the general shock we all feel at the tragic accident that has deprived the Nation of his services.

JERRY was the kind of Congressman who did not view himself as a professional legislator, but as a man who, having benefited greatly from the rewards that our particular system could give to his energy, abilities, and ingenuity, felt that the owed his country something in return.

When JERRY ran for Congress, he was not looking for a job; he came here as a man who had been successful in everything he had done. He approached public service with absolutely the finest motivation any American citizen could have, to repay his country for permitting him to make the most of his opportunities as a private citizen.

Mr. Speaker, we have been enriched by association with this kind of man and the ideals of public service he symbolized. I deeply regret his passing, and participate in a general feeling of loss that we are never going to be able to express adequately.

Mr. ROUSSELOT. Mr. Speaker, I think the gentleman from New York has stressed, as so many others have, the unusual and outstanding sense of public service that JERRY PETTIS gave to the House, to his constituents and to the whole Nation. As my colleague from New York has just mentioned, he really came here to serve, not himself, but his constituency and the entire Nation. That statement cannot be made of very many public servants.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding.

I did not have the opportunity of knowing JERRY PETTIS as long and as well as many of my colleagues, but one did not have to know JERRY PETTIS very long to know exactly what kind of a man he was, what kind of a Representative he was, and what kind of an American he was.

It has all been pretty well said, but I think one thing we could all keep in mind is that perhaps if we all just think a little bit, as I certainly have been doing since Friday, about what kind of a man he was, about what kind of a Congressman he was, and try a little bit harder to be that way ourselves, perhaps some good will come out of this tragedy.

Mr. ROUSSELOT. The gentleman is correct. It is probably the best way we can remember JERRY PETTIS, a true memorial to his good service, by doing the same thing ourselves.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I want to thank my colleague from California for taking this occasion to pay tribute to a decent human being

whom I have known for a decade. I would sum up my impression of JERRY PETTIS by saying that he was one of the most self-disciplined human beings I have ever known, which is to say that he was economical with the resources of this world, and all of those who knew him know that he was economical with his words. He did not say a lot, but when he said something one understood what he meant and one knew a contribution had been made.

He was a decent human being, and I think that not only this body but, obviously, this country—and, really, this world—has suffered from his loss.

One can only remember the epitaph that seems to be proven again and again every time our hearts are broken this way, that only the good die young.

Mr. ROUSSELOT. I thank my colleague from Indiana.

Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

H. RES. 171

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable Jerry L. Pettis, a Representative from the State of California.

*Resolved*, That a committee of 70 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy to the family of the deceased.

The resolutions were agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members on the part of the House:

Mr. MOSS, Mr. RHODES, Mr. MICHEL, Mr. BOB WILSON of California, Mr. SISK, Mr. McFALL, Mr. JOHNSON of California, Mr. BELL, Mr. CORMAN, Mr. EDWARDS of California.

Mr. HAWKINS, Mr. LEGGETT, Mr. ROYBAL, Mr. TALCOTT, Mr. VAN DEERLIN, Mr. CHARLES H. WILSON of California, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. PHILLIP BURTON, Mr. REES, Mr. WIGGINS.

Mr. McCLOSKEY, Mr. ANDERSON of California, Mr. GOLDWATER, Mr. ROUSSELOT, Mr. DANIELSON, Mr. DELLUMS, Mr. BROWN of California, Mr. BURGNER, Mrs. BURKE of California, Mr. HINSHAW, and Mr. KETCHUM.

Mr. MOORHEAD of California, Mr. RYAN, Mr. STARK, Mr. LAGOMARSINO, Mr. JOHN L. BURTON, Mr. HANNAFORD, Mr. KREBS, Mr. LLOYD of California, Mr. MILLER of California, Mr. MINETA, Mr. PATTERSON of California, Mr. WAXMAN.

Mr. MILLS, Mr. BURLINSON of Texas, Mr. LANDRUM, Mr. VANIK, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mr. KARTH, Mr. ROSTENKOWSKI, Mr. SCHNEEBELI, Mr. CLANCY, Mr. PIKE, Mr. WAGGONER.

Mr. FULTON, Mr. GIBBONS, Mr. GREEN, Mr. CONABLE, Mr. DUNCAN of Tennessee, Mr. ESCH, Mr. RUPPE, Mr. STEIGER of Arizona, Mr. STEIGER of Wisconsin, Mr. WINN, Mr. ARCHER, and Mr. VANDER VEEN.

The Clerk will report the remaining resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

## ADJOURNMENT

Accordingly (at 12 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 18, 1975, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

330. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended December 31, 1974, pursuant to section 819 of Public Law 93-437; to the Committee on Appropriations.

331. A letter from the Secretary of Defense, transmitting his determination and certification that the Airborne Warning and Control System is cost effective and meets the mission needs and requirements of the Department of Defense, pursuant to section 101 of Public Law 93-365; to the Committee on Armed Services.

332. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend provisions of the Department of Defense Appropriation Authorization Act of 1975 which provide for the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces and for other purposes; to the Committee on Armed Services.

333. A letter from the Comptroller of the Currency, Department of the Treasury, transmitting his annual report for 1973, pursuant to section 333 of the Revised Statutes [12 U.S.C. 14]; to the Committee on Banking, Currency and Housing.

334. A letter from the Under Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend the Federal riot reinsurance and crime insurance programs; to the Committee on Banking, Currency and Housing.

335. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Singapore for permission to transfer certain U.S.-origin radio equipment to the Government of New Zealand, pursuant to section 3(a) of the Foreign Military Sales Act, as amended; to the Committee on Foreign Affairs.

336. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a quarterly report for the period ended December 31, 1974, on the programing and obligation of contingency funds, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2261(b)]; to the Committee on Foreign Affairs.

337. A letter from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

338. A letter from the Public Printer, transmitting the annual report of the Government Printing Office for fiscal year 1974; to the Committee on House Administration.

339. A letter from the Acting Secretary of the Interior, withdrawing the proposed distribution plans for Grand River Band of Ottawa and Cowlitz judgment funds awarded in Indian Claims Commission dockets 40-K and 218, previously submitted pursuant to section 2(a) of Public Law 93-134; to the Committee on Interior and Insular Affairs.

340. A letter from the Acting Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Stillaguamish Tribe of Indians in docket No. 207 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

341. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; to the Committee on Interior and Insular Affairs.

342. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a copy of the Commission's fiscal year 1975 apportionment schedule, received from the Office of Management and Budget; to the Committee on Interstate and Foreign Commerce.

343. A letter from the vice president for government and public affairs, National Railroad Passenger Corp., transmitting the annual report of the corporation for calendar year 1974, pursuant to section 308(b) of the Rail Passenger Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

344. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes; to the Committee on the Judiciary.

345. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report on the civil rights activities of the Office of Revenue Sharing of the Department of the Treasury, pursuant to Public Law 85-315; to the Committee on the Judiciary.

346. A letter from the Secretary of the Treasury, transmitting the annual report on exemptions from coastwise prohibitions for certain barges of foreign registry, pursuant to section 2 of Public Law 92-163; to the Committee on Merchant Marine and Fisheries.

347. A letter from the Secretary of Commerce, transmitting revised regulations governing yellowfin tuna purse seining using encircling gear promulgated under section 111 of the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

348. A letter from the Chairman, Marine Mammal Commission, transmitting the second annual report of the Commission, covering calendar year 1974, pursuant to section 204 of Public Law 92-522; to the Committee on Merchant Marine and Fisheries.

349. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the annual report for calendar year 1974 on scientific and professional positions authorized to be established in the Agency, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

350. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

351. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to require that certain veterans receiving hospital care from the Veterans'

Administration for nonservice-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts with respect to such care; to prohibit the future exclusion of such coverage from insurance policies or contracts; and for other purposes; to the Committee on Veterans' Affairs.

352. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to provide for an 8-year delimiting period for the pursuit of educational programs by veterans, wives, and widows, and for other purposes; to the Committee on Veterans' Affairs.

353. A letter from the Acting Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Appropriations.

#### RECEIVED FROM THE COMPTROLLER GENERAL

354. A letter from the Acting Comptroller General of the United States, transmitting his review of the proposed rescissions and deferrals of budget authority and the supplementary reports revising previously proposed rescissions and deferrals contained in the message from the President dated January 30, 1975 (House Document No. 94-39), pursuant to sections 1014 (b) and (c) and 1015(b) of Public Law 93-344 (H. Doc. No. 94-50); to the Committee on Appropriations and ordered to be printed.

355. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during January 1975, pursuant to section 234 of Public Law 91-510; to the Committee on Government Operations.

356. A letter from the Acting Comptroller General of the United States, transmitting an appraisal of the special summer food program for children; jointly to the Committees on Government Operations, and Education and Labor.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 3148. A bill to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low income allowance and the percentage standard deduction, to provide a credit for certain earned income, to increase the investment credit and the surtax exemption, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. ASHLEY, Mr. BAUCUS, Mr. BIAGGI, Mr. BIESTER, Mr. DELUMS, Mr. EDWARDS of Alabama, Mr. FREY, Mr. GILMAN, Mr. JACOBS, Mr. KARTH, Mr. KREBS, Mr. LAFALCE, Mr. MAGUIRE, Mr. MILLER of California, Mr. MINETA, Mr. MURPHY of Illinois, Mr. PATTISON of New York, Mr. PRITCHARD, Mr. ROE, Mr. ST GERMAIN, Mr. SOLARZ, Mr. JAMES V. STANTON, and Mr. VIGORITO):

H.R. 3149. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 3150. A bill to amend title II of the Social Security Act so as to remove the limitation receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 3151. A bill to amend the Internal Revenue Code of 1954 to provide a basic \$5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pension, or other retirement benefits; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 3152. A bill to amend title 10 of the United States Code in order to establish Optometry Corps in the Army and the Navy and to provide a separate optometric service within the Air Force; to the Committee on Armed Services.

H.R. 3153. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 3154. A bill to amend the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 3155. A bill to amend the Urban Mass Transportation Act of 1964 to provide operating assistance for projects located in areas other than urbanized areas, to provide for mass transportation assistance to meet the needs of elderly and handicapped persons, and for other purposes; to the Committee on Public Works and Transportation.

#### MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

21. By the SPEAKER: Memorial of the Legislature of the State of Arkansas, relative to fuel prices and fuel rationing; to the Committee on Interstate and Foreign Commerce.

22. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

23. Also, memorial of the Legislature of the State of New York, relative to Northwestern railroads; to the Committee on Interstate and Foreign Commerce.

24. Also, memorial of the Legislature of the State of South Carolina, relative to daylight saving time; to the Committee on Interstate and Foreign Commerce.

25. Also, memorial of the Legislature of the State of North Dakota, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

26. Also, memorial of the Legislature of the State of Rhode Island and Providence Plantations, relative to public works projects; to the Committee on Public Works and Transportation.

27. Also, memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to "license" fees on imported oil; to the Committee on Ways and Means.

28. Also, memorial of the Legislature of the State of Maine, relative to cost of living increases in Federal income maintenance programs; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce, Post Office and Civil Service, and Armed Services.

### SENATE—Monday, February 17, 1975

The Senate met at 11 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

#### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

We shall pray today in the words of President George Washington's prayer for his country. Let us pray.

"Almighty God: we make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific

temper of mind which were the characteristics of the divine Author of our blessed religion, and without a humble imitation of whose example in these things we can never hope to be a happy nation. Grant our supplication, we beseech Thee, through Jesus Christ, our Lord." Amen.

#### THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, February 12, and Thursday, February 13, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of

the legislative calendar, under rule VII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### THE SELECTION OF SENATOR GARN TO DELIVER WASHINGTON'S FAREWELL ADDRESS

Mr. HUGH SCOTT. Mr. President, we are specially fortunate today in that the Senator who has been selected to deliver Washington's Farewell Address has certain direct connections with the Wash-

ington family, which I am going to request that he mention at the opening of his reading of the address. I do this with special pride, as perhaps the only Member of the Senate who actually was born on property belonging to George Washington's sister.

So I have a special interest in the fact that the Senator from Utah (Mr. GARN) has perhaps the most direct connection of any Senator to the Washington family, and therefore the best reason for being chosen today.

#### READING OF WASHINGTON'S FAREWELL ADDRESS

The ACTING PRESIDENT pro tempore. Under the order of the Senate of January 24, 1901, as modified on February 5, 1975, the Senator from Utah (Mr. GARN), having been appointed by the Vice President, will now read Washington's Farewell Address.

Mr. GARN. Mr. President, I appreciate the request of the Senator from Pennsylvania. I am pleased to be asked to read this address today.

As most people may be aware, George Washington, himself, had no children. His youngest brother, Charles August Washington, did, however.

My grandmother's maiden name was Martha Virginia Washington. This is why I had to live in Virginia. There was no way I could have lived on the Maryland side of the river, with a grandmother named Martha Virginia Washington. Her father, my great grandfather, was Charles August Washington, a great, great, great grandson of George's youngest brother.

So I do deem it an honor to be able to read George Washington's Farewell Address this morning.

Mr. GARN, at the rostrum, read the Farewell Address, as follows:

*To the people of the United States.*

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been

a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its

beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation

derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the production of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalry alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown

military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as the main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however

strict, between the parts can be an adequate substitute: they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state it is requisite, not only, that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the

system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foment occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the govern-

ment itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense

of religious obligation desert the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinions should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The

experiment, at least, is recommended by every sentiment which ennoble human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment; sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest; in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gliding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and

powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence. (I conjure you to believe me fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under the character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, un-

der all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,  
17th September, 1796.

#### WASHINGTON'S FAREWELL ADDRESS

Mr. RANDOLPH. Mr. President, we have been privileged today to have the Farewell Address of George Washington read in the Senate, as is the custom. I commend the reading of the address by our able colleague from Utah (Mr. GARN).

This address—never really delivered

as such—gave us the wisdom of George Washington after he had led this country during the period of his executive responsibility. I often think, however, that there was an earlier period in the life of George Washington which prepared him, in a sense, for this later responsibility in the early years of our Government.

Recalling now, with my fellow Senators and fellow citizens, the events in the life of George Washington, I take us from this Chamber, with its warmth and security, to December 1776, when George Washington was attempting to hold together a little band of patriots. They were beginning, really, the formation of the Republic which came about formally with the signing of the Declaration of Independence.

General Mercer, who was a very close friend of George Washington, said in his diary at that time of their so-called staff hospital:

We have no medicine. We have no food. We have not a bandage fit to be used. We have three blankets.

That was a crucial hour in the history of our country when George Washington, located 10 miles above the falls of the Delaware River, was striving to hold his forces together. We should remember that those who had enlisted in that Continental Army in those days had enlisted for 1 year. Christmas was approaching, and the men, who were cold, had insufficient clothing and food, were going home to their families. The situation became so precarious for Washington and the small group of officers who worked with him that when he pleaded for a thousand volunteers to replace those who had enlisted, only 100 answered his call. I think a lesser man, Mr. President, would have gone home himself. I shall always believe—though this is only a matter of personal feeling—that there was a hand of deliverance which was stretched out to George Washington in those hours.

Washington appealed for 261 pairs of pants. Why did he make that very precise request? It was because that was the number of men who could not answer the muster call because of a lack of clothing.

What sacrifice, what determination, what faith. Those were the trying hours that I speak of, as we remember the address of George Washington of 20 years later.

Sometimes we are inclined to forget or overlook that only one-third of the people of the United States then wanted a new Republic to come into existence. One-third wished to remain under British rule, and one-third did not care very much one way or the other.

So George Washington and those who were working at his side, realized they had the support of only a minority as they brought into being the United States of America.

It is appropriate also to recall the 56 men who signed our Declaration of Independence. They were men of affluence, of property, of education, often of culture and they were in a position to lose

everything, because the placing of their signatures on that document was an act of treason.

Stephen Hopkins came down from Rhode Island, racked with pain, against the advice of his physician, his hand gnarled with arthritis. They placed the pen between his fingers and helped to guide him as he signed his name. He said "My hand trembles but my heart does not."

On and on could be told the story of the 56 signers. They are not mere statistics. I regret that so very often in our school systems the story of each of the signers is not studied.

One of the signers had 11 children, all of whom were to lose their lives in the coming years because of what he had done. Carroll of Carrollton, Md., the only man who signed the name of the community from whence he came, was a very rich man in those days—in the coin of that day, worth perhaps over \$1 million. His fortune was laid on the line. He said he would lose everything—and how prophetically he spoke. He died a pauper—Carroll of Carrollton, Md.

We often hear that John Hancock was a very pompous man. He wanted to sign in big letters and be first. Well, the reason he signed first was that he was the president of that Congress.

As he signed, he said:

I will sign in letters so large that His Majesty will be able to read without benefit of glasses.

These were the men, the men who joined with Washington in the dawning hours of this Republic.

Mr. President, Senator GARN called our attention to the fact that he has a relationship with the Washington family through an ancestry from Charles Washington.

Charles Washington was the youngest full brother of George Washington. He was identified with an area that Senator ROBERT C. BYRD and I represent in the Senate.

In 1759, 4½ acres of land were presented to Charles Washington by the General Assembly of the Colony of Virginia. He later was to serve many terms as the magistrate in Spotsylvania County, Va.

The records show also that at Martinsburg in Berkeley County, W. Va., there were 80 acres of land owned by Charles Washington. I have determined from court records that this acreage became the town of Charles Town in 1780. This thriving community and area are approximately 1 hour and 20 minutes' driving time from the District of Columbia to the west.

At that time, the land of Charles Washington was in Berkeley County. Scenic Jefferson County, named after Jefferson, was to become a county at a later date. Historic Harpers Ferry is also located in Jefferson County.

Those 80 acres, by the court records, were to be laid out in such a manner, with convenient streets, as to serve the people who were to live there.

There were in that town certain trustees, and the trustees included John

Augustine Washington, a brother of Charles; Thornton Washington and William Washington, both nephews of Charles.

Charles Town, when it was brought into being, was to have a main street called Washington Street. This was to be in honor of Charles Washington, whom Senator GARN mentioned in his preface to the reading of the Farewell Address today.

Then there was a parallel street to Washington Street which was to be called Liberty Street. People who were then thinking of the Washingtons were thinking also of the liberties which this country had won through the sacrifice of men like the Washingtons. Particularly today we think of George Washington who was, in truth and in fact, the Father of our Country.

Washington, in the words which the Senator read from the lectern, said something that was correct then, is correct now, and will be correct in the future. He realized that people would come to America from other countries, and so Washington said:

Citizens by birth, or choice, of a common country, that country has the right to concentrate your affections.

Mr. President, in this hour, perhaps an easier hour, although a critical hour, in the history of our Republic, I hope it is not inappropriate for me to mention the beginnings of this Republic. In a sense, this is a challenge for all of us—Senators and all those in governmental positions, as well as the people of the United States—to recognize that we do have a very solemn obligation. We must strive to be worthy of our Founding Fathers, of the signers of the Declaration of Independence, and of the first President of the United States.

#### QUORUM CALL

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour, with statements therein limited to 10 minutes.

#### APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 91-452, appoints the Senator from Vermont (Mr. STAFFORD) to the Commission on the Review of the National Policy Toward Gambling, in lieu of the Senator from Maryland (Mr. BEALL), resigned.

#### MESSAGES FROM THE HOUSE

At 11:50 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has appointed Mrs. BOGGS and Mr. BUTLER members of the American Revolution Bicentennial Board on the part of the House.

The message also announced that the Speaker has appointed Mr. MEEDS, Mr. YATES, and Mr. STEIGER of Arizona members of the American Indian Policy Review Commission on the part of the House.

The message further announced that the Speaker has appointed Mr. BOLLING and Mr. TAYLOR of Missouri members of the Board of Trustees of the Harry S. Truman Scholarship Foundation on the part of the House.

The message also announced that the Speaker has appointed Mr. THOMPSON, Mr. RONCALIO, and Mr. ESCH members ex officio of the Board of Trustees of the John F. Kennedy Center for the Performing Arts on the part of the House.

The message further announced that the Speaker has appointed Mr. MURPHY of New York, Mr. HOWARD, Mr. GUDE, and Mr. FISH members of the Franklin Delano Roosevelt Memorial Commission on the part of the House.

The message also announced that the Speaker has appointed Mr. REES and Mr. J. WILLIAM STANTON members of the National Commission on Supplies and Shortages on the part of the House.

The message further announced that the Speaker has appointed Mr. BURLISON of Missouri and Mr. FRENZEL members of the Federal Records Council on the part of the House.

At 1:35 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has heard with profound sorrow of the death of the Honorable JERRY L. PETTIS, a Representative from the State of California.

#### COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

AIR FORCE REPORT ON EXPERIMENTAL, DEVELOPMENTAL AND RESEARCH CONTRACTS

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report of the Air Force on experimental, developmental and research contracts of \$50,000 or more, by company, for the period July 1, 1974 through December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION TO EXTEND THE FEDERAL RIOT REINSURANCE AND CRIME INSURANCE PROGRAMS

A letter from the Under Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend the Federal riot reinsurance and crime insurance programs (with accompanying papers); to the Committee on Banking, Housing and Urban Development.

PROPOSED LEGISLATION TO AMEND THE MERCHANT MARINE ACT

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation

to amend section 216(b)(1) of the Merchant Marine Act, 1936 (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION TO AMEND THE RAIL PASSENGER SERVICE ACT

A letter from the Acting Secretary of Transportation, transmitting a draft of proposed legislation to amend the Rail Passenger Service Act of 1970 to authorize additional appropriations (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION TO AUTHORIZE UNITED STATES PAYMENTS TO THE UNITED NATIONS

A letter from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

#### REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of the fiscal year 1974 financial statements of the Student Loan Insurance Fund, administered by the Office of Education, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

#### ANNUAL REPORT OF THE COLORADO RIVER BASIN

A letter from the Secretary of the Interior, transmitting, pursuant to law, the fourth annual report of the operation of the Colorado River Basin (with an accompanying report); to the Committee on Interior and Insular Affairs.

WITHDRAWAL OF PLANS SUBMITTED FOR DISTRIBUTION OF AWARDS PROVIDED BY THE INDIAN CLAIMS COMMISSION

A letter from the Acting Secretary of the Interior, withdrawing the distribution plans previously submitted by the Indian Claims Commission for Dockets 40K and 218; to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION TO AMEND THE WATER RESOURCES PLANNING ACT OF 1965

A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION TO AMEND THE RAILROAD ACT OF 1974

A letter from the Secretary, U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide for the continuing annual credit to the Railroad Retirement Account and the Railroad Retirement Supplemental Account of the taxes collected under the Railroad Retirement Tax Act, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

#### REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the final report on the results of the 1974 survey conducted nationwide to estimate the costs of construction of needed publicly owned wastewater treatment works (with an accompanying report); to the Committee on Public Works.

PROPOSED AMENDMENTS OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting proposed amendments to the President's

omnibus energy bill (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE INTERIOR

A letter from the Acting Assistant Secretary of the Interior transmitting a draft of proposed legislation authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes (with accompanying papers); to the Committee on Public Works.

PROPOSED LEGISLATION BY THE VETERANS ADMINISTRATION

A letter from the Administrator of the Veterans' Administration transmitting a draft of proposed legislation to require that certain veterans receiving hospital care from the Veterans' Administration for nonservice-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts with respect to such care, and for other purposes (with accompanying papers); to the Committee on Veterans' Affairs.

A letter from the Administrator of the Veterans Administration transmitting a draft of proposed legislation to provide for an 8-year delimiting period for the pursuit of educational programs by veterans, wives, and widows, and for other purposes (with accompanying papers); to the Committee on Veterans' Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore: A resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO RECOGNIZE THE CONTRIBUTIONS OF THE IRISH PEOPLE TO OUR NATION

"Whereas, Recognizing the many contributions of men and women of Irish blood to the building of our great Nation and to the cause of freedom everywhere since the earliest times; and

"Whereas, Recognizing the many contributions of men and women of Irish blood to the building of our great Nation and to the cause of freedom everywhere since the earliest times; and

"Whereas, Recognizing that Irish people in the six-county area known as "northern Ireland" are denied basic civil and human rights and are unable to obtain adequate protection from attack or equal justice under law; and

"Whereas, The explosive situation in "northern Ireland" is an unreasonable threat to the peace and is therefore the legitimate concern of all men; and

"Whereas, It is in the best interests of the United States that there be a just and equitable solution to this problem; and

"Whereas, For humanitarian reasons, as well as out of respect for the principles of freedom, liberty, justice, natural law and history, we hereby take notice of the deplorable state of affairs in Ireland; therefore be it

"Resolved, That the Massachusetts General Court memorializes and petitions the Congress of the United States to express the opinion that Irish people ought to be permitted to exercise the right of national self-determination thus returning the disputed six counties to the Irish Republic, unless a clear majority of all the people of Ireland in a free and open plebiscite determine to the contrary; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the Secretary of State, to

the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from the Commonwealth."

REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the Senate of February 13, 1975, the following reports of a committee were received:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. Con. Res. 13. A concurrent resolution expressing the approval of the Congress of the distribution of amounts of special material to the International Atomic Energy Agency, proposed by the Atomic Energy Commission on January 8, 1975 (Rept. No. 94-8);

S. Con. Res. 14. A concurrent resolution expressing the approval of the Congress of the distribution of amounts of special material to the European Atomic Energy Community, proposed by the Atomic Energy Commission on January 8, 1975 (Rept. No. 94-9); and

S. Con. Res. 15. A concurrent resolution expressing the approval of the Congress of the amendment to the 1955 "Agreement for Cooperation Between the Government of the United States of America and the Government of Israel Concerning Civil Uses of Atomic Energy" proposed by the Atomic Energy Commission on January 14, 1975 (Rept. No. 94-10).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Finance, without amendment:

H.R. 1767. An act to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes (together with minority and supplemental views) (Rept. No. 94-11).

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 2634. An act to increase the temporary debt limitation and to extend such temporary limitation until June 30, 1975 (Rept. No. 94-12).

Mr. LONG. Mr. President, on behalf of the Committee on Finance, I file a committee report on H.R. 2634, the so-called debt limit bill, and ask it be printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ANNUAL REPORT OF THE SELECT COMMITTEE ON SMALL BUSINESS (REPT. NO. 94-13)

Mr. NELSON. Mr. President, on behalf of the Select Committee on Small Business, and its chairman of last year, Senator Alan Bible of Nevada, I am submitting today the 25th annual report covering the committee's activities during 1974. I ask unanimous consent that the report be printed, together with illustrations and appendices.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Because Senator Bible retired from this body prior to the end

of the last session, it was not possible for him to file this report, which encompasses proceedings of the calendar year ending December 31.

The mandate of the select committee is: "to study and survey by means of research and investigation all problems of American small-business enterprise \* \* \* in order to aid the Congress in enacting immediate legislation and to be responsive to the public interest in this vital area of our economy."

The report monitors developments in the economy, which have such a determining effect on the fortunes of the Nation's 12 million enterprises, 97 percent of which are classified as "small business." It records increases of 12.2 percent in the Consumer Price Index and 20.9 percent in the Wholesale Price Index during the past year which have placed small firms in a cost/price/tax squeeze imperiling their survival, in many cases.

Adversity in the housing, auto, and related industries are described with respect to their effects on small business.

In the obtaining of capital for small firms, the report sets forth the reduction of between 25 and 30 percent in the national stock averages; the decline of 60 percent in small business securities offerings; as well as a steady and disturbing reduction of about one-eighth—over the past 4 years—in the number of small securities broker-dealers available to provide financing to independent businesses.

These and other statistics reflect that small business certainly has many difficult problems in the year ahead.

The report recaps the committee's extraordinary study of "The U.S.A. Business Community" which has received the favorable attention of many governmental and private institutions on its publication in September 1974.

The regular oversight functions of the committee as to the Small Business Administration are summarized in its review of the financial, management, and other assistance programs of that agency.

The committee under Senator Bible's chairmanship also performed what I consider to be notable work in assisting smaller firms into compliance with environmental and consumer initiatives. The report reviews the programs of SBA, which the committee helped bring into being, and tabulates the financial assistance provided to date in these areas.

In the tax field, the committee's achievements in 1974 included: gaining approval and the establishing of a Small Business Advisory Committee to the Commissioner of the Internal Revenue Service; and approval by the House Ways and Means Committee of nine provisions of the Bible-Evins bill, which deal with small business tax reform and relief.

The committee also devoted substantial resources to energy and materials problems, and produced constructive results. One example is a major study by SBA of the small business impact of energy shortages, which is summarized and excerpted in the report.

Other chapters furnish a wealth of detail on such subjects as:

Government Procurement.  
 Crime Against Small Business—cargo theft and fencing.  
 Corporate Giantism.  
 Small Business Credit Needs.  
 Small Business Problems in the Pharmaceutical Industry, and  
 Efforts to Reduce Paperwork for Small Firms.

For the first time, the report contains a list of exhibits, which provides an additional key to the diverse research which is called forth by the many-sided relations of small business to the economy.

The report also contains a legislative index of all bills enacted and proposed which have major effects on the Small Business Administration and small business in general.

In my view, the 25th annual report of the committee will be an invaluable resource for research and action. I recommend this volume to my colleagues in Congress, to academic institutions, small business organizations, and to all of our citizens who are interested in maintaining our free enterprise system and preserving small businesses as viable contributors of the Nation's goods, services, employment, and the pride and self-respect which has traditionally accompanied business ownership.

Copies are available, in limited numbers, at the committee offices: 424 Russell Senate Office Building, Washington, D.C. 20510.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. YOUNG:

S. 683. A bill for the relief of Ghulam Reza Padash and his wife, Homa Ghasemshahi Padash. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 684. A bill to amend the Federal Aviation Act of 1958, as amended, by requiring certification and subsidy of at least two air carriers to points receiving neither highway nor railroad service. Referred to the Committee on Commerce.

By Mr. STEVENS:

S. 685. A bill to authorize certain corporations under the Alaska Native Claims Settlement Act to merge or consolidate, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS:

S. 686. A bill for the relief of Asuncion Ventura-Ruml. Referred to the Committee on the Judiciary.

S. 687. A bill for the relief of Consuelo Coronado. Referred to the Committee on the Judiciary.

S. 688. A bill for the relief of Antonio Passalacqua. Referred to the Committee on the Judiciary.

S. 689. A bill for the relief of Magdalena Pisga Mulato. Referred to the Committee on the Judiciary.

By Mr. STAFFORD:

S. 690. A bill for the relief of Sheila J. Phelps. Referred to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. EASTLAND):

S. 691. A bill to increase benefits provided to American civilian internees in Southeast Asia. Referred to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself and Mr. MAGNUSON):

S. 692. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes. Referred to the Committee on Commerce.

By Mr. WILLIAM L. SCOTT (for himself, Mr. CURTIS, Mr. EASTLAND, Mr. FANNIN, Mr. GOLDWATER, Mr. HELMS, and Mr. THURMOND):

S. 693. A bill to amend the Clean Air Act to establish a limitation on certain air quality standards established pursuant to such Act. Referred to the Committee on Public Works.

By Mr. WILLIAM L. SCOTT (for himself, Mr. EASTLAND, Mr. FANNIN, Mr. GOLDWATER, Mr. HELMS, and Mr. THURMOND):

S. 694. A bill to amend the Clean Air Act with respect to certain stationary source emission limitations. Referred to the Committee on Public Works.

By Mr. WILLIAM L. SCOTT (for himself, Mr. EASTLAND, Mr. FANNIN, Mr. HELMS, Mr. LAXALT, and Mr. THURMOND):

S. 695. A bill to amend the Clean Air Act with respect to certain motor vehicle emission standards. Referred to the Committee on Public Works.

By Mr. HUMPHREY:

S. 696. A bill for the relief of certain individuals formerly employed by the Nationwide Food Service in the U.S. Senate Restaurant. Referred to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY (for himself, Mr. HUDDLESTON, Mr. MONDALE, and Mr. SYMINGTON):

S. 697. A bill to improve agricultural yields in the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China. Referred to the Committee on Foreign Relations.

By Mr. CANNON:

S. 698. A bill requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark, of Las Vegas, Nev. Referred to the Committee on Agriculture and Forestry.

By Mr. DOLE (for himself, Mr. GARY W. HART, Mr. PACKWOOD, Mr. DOMENICI, Mr. ABOUREZK, Mr. BARTLETT, Mr. BELLMON, Mr. BENTSEN, Mr. BIDEN, Mr. BROCK, Mr. CRANSTON, Mr. CULVER, Mr. FANNIN, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRAVEL, Mr. HARTKE, Mr. HASKELL, Mr. HUMPHREY, Mr. JAVITS, Mr. LAXALT, Mr. LEAHY, Mr. MONDALE, Mr. MORGAN, Mr. MOSS, Mr. PELL, Mr. STEVENSON, Mr. TOWER, and Mr. TUNNEY):

S. 699. A bill to permit Senators to use mobile offices in their home States. Referred to the Committee on Appropriations and the Committee on Government Operations, by unanimous consent.

By Mr. THURMOND:

S. 700. A bill to amend the Agricultural Adjustment Act of 1938, as amended. Referred to the Committee on Agriculture and Forestry.

By Mr. STEVENSON (for himself and Mr. MAGNUSON):

S. 701. A bill to regulate commerce and promote the general welfare by assuring increased supplies of natural gas, oil, and other energy sources at reasonable prices for the consumer, and for other purposes. Referred to the Committee on Commerce.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 684. A bill to amend the Federal Aviation Act of 1958, as amended, by

requiring certification and subsidy of at least two air carriers to points receiving neither highway nor railroad service. Referred to the Committee on Commerce.

Mr. STEVENS. Mr. President, two decisions by the Civil Aeronautics Board prompted the bill I introduce today.

In 1969, the Civil Aeronautics Board initiated the Alaska service investigation. The investigation was subsequently divided into three phases: trunk line, regional routes, and bush routes. The CAB issued a decision and order in December 1971 for the trunk line and regional route phases. In this decision, the CAB created a monopoly situation by suspending two of the three carriers serving southeastern Alaska. One carrier had previously been suspended in 1965. A second carrier received a subsidy, and the third did not. Upon suspending two of the carriers, the CAB gave a monopoly route award to the remaining carrier on a subsidy ineligible basis.

In September 1972, the CAB decided the bush routes phase of the Alaska service investigation. In this decision, the CAB created another monopoly situation by suspending one of two subsidized carriers serving northwestern Alaska. The remaining carrier received a monopoly route award on a subsidy ineligible basis. Petitions for reconsideration were subsequently filed. In response, the CAB granted a motion for a stay order. On November 19, 1974, the CAB dissolved the stay order, denied the petitions for reconsideration, and permanently suspended the primary carrier's authority to serve the Anchorage-Nome-Kotzebue route.

Southeast Alaska is islandic. It has neither road nor rail service to Anchorage or Seattle, which are its only gateways other than by air. Air transportation is the only mode of travel other than infrequent and slow ferry service. Northwest Alaska—Nome, Kotzebue, and Unalakleet—is also far and remote. It typifies the Alaskan dilemma of sparsely populated communities scattered great distances from population and supply centers. In the winter months, the Bering Sea freezes and the only mode of transportation is by air. While Alaska is not alone in such physical characteristics, these portions of the State typify the dependence on air of many isolated rural communities in this country. Competition is important. The absence of competing rail and highway service makes competing air service all the more important.

These two CAB decisions were not in the public's interest. In its attempt to strengthen the financial prospects of Alaskan air operations, the CAB gave insubstantial weight to the commerce, postal, and national defense needs, and the public interest which dictated alternative dependable air carrier service.

Mr. President, CAB's November 19 decision was especially untimely. Late last fall, high winds and severe flooding nearly destroyed every town and village along the Seward Peninsula coastline. These Alaskans are now rebuilding. Food, supplies, and construction materials are needed. The only means of transporting these materials and foodstuffs during the winter months

is by air. This entire emergency situation has been put on the capabilities of only one airline.

The present status of Alaska's economy stimulated by the North Slope oil development and the Native Claims Settlement Act demand increased air service, not less. Yet, the CAB continues on a course of eliminating air carrier competition to those communities which are so dependent on air transportation. This problem is of extreme concern to Alaskans.

For this reason, I am today introducing legislation which will insure continued air service to points in Alaska and elsewhere that receive neither highway nor rail service. This legislation would make it clear that air service to points in the United States, including Alaska and Hawaii, receiving neither highway service nor railroad service shall be maintained on air routes. It will also insure that subsidy payments necessary to provide such air service will be allowed.

The bill will accomplish the following:

First, the legislation adds a new provision to section 102 of the Federal Aviation Act of 1958. Section 102 details the considerations of the CAB in determining whether certification should be granted, altered, amended, modified, or suspended under section 401 of the act. This will broaden the public interest standards of the act. It will require the CAB to determine whether or not competing modes of transportation are available to communities for which the CAB authorizes airline service. If communities are isolated from railroad or highway transportation systems, the CAB will have to accommodate this dependency on air service by providing a sufficient amount of competition with the air mode.

Second, section 2 will require that no term or condition of any certificate can limit the maximum subsidy amounts payable for service to or from points receiving neither railroad service nor highway service. Existing certificates must be so amended.

Third, section 3 will require that in determining the need for such a subsidy, the Civil Aeronautics Board and the Secretary of Transportation must consider air service to be a requirement for points receiving neither highway service nor rail service.

Fourth, section 4 will require that in determining the public convenience and necessity under the sections I have previously mentioned, the Board shall consider that the certification of at least two air carriers in areas receiving neither highway service nor railroad service is necessary for the public convenience and necessity.

This legislation is intended to prescribe guidelines in determining the amount of subsidy and the criteria for certification. It is not intended to increase the amount of subsidy paid.

I request unanimous consent that the bill itself be printed in its entirety in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 684

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Federal Aviation Act of 1958, as amended, is hereby further amended as follows:

SECTION 1. By redesignating clauses (d), (e), and (f) of section 102 (49 U.S.C. 1302) as clauses (e), (f), and (g), respectively, and by inserting after clause (c) the following:

"(d) The extension of such service to points in the continental United States which shall include Alaska and Hawaii receiving neither highway service nor railroad service."

Sec. 2. By adding a paragraph (7) to subsection (e) of section 401 (49 U.S.C. 1371) that shall provide as follows:

"(7) No term or condition in any certificate shall limit the maximum subsidy amounts payable with respect to service to or from points that receive neither railroad service nor highway service. The Board shall, without hearings, alter, modify, or amend any existing certificate term or condition in contravention of this requirement so as to bring such term or condition into conformity therewith."

Sec. 3. By adding the following sentence to subsection (b) of section 406 (49 U.S.C. 1376): "In the exercise of their powers and duties under this subsection, the Board and the Secretary of Transportation shall consider as required for the commerce of the United States, the Postal Service, and the national defense, air service to points in the continental United States which shall include Alaska and Hawaii receiving neither highway service nor railroad service."

Sec. 4. Add a new section 406a as follows: "In determining the public convenience and necessity under sections 102, 401, and 406, the Board shall consider as necessary to the sound development of an air-transport system properly adapted to the needs of the foreign and domestic commerce of the United States, the Postal Service, and the national defense, the certification of at least two air carriers to provide air service to points in the United States receiving neither highway service nor railroad service."

By Mr. STEVENS:

S. 685. A bill to authorize certain corporations under the Alaska Native Claims Settlement Act to merge or consolidate, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, today I am introducing a bill which will authorize the merger or consolidation of village corporations formed within the same region of Alaska under the Alaska Native Claims Settlement Act.

I am seeking this legislation because many of the village corporations established under the Alaska Native Claims Settlement Act have found that they are too small to effectively manage their resources. Thus, NANA Regional Corporation, Inc., one of the 12 regional corporations created in Alaska pursuant to the Alaska Native Claims Settlement Act and the 11 village corporations in the NANA region have sought this merger in order to permit operation of these corporations on a larger and more efficient scale. This legislation is necessary because of the provisions of the Settlement Act, which prohibit, for a period of 20 years from the date of enactment of the act, any sale, assignment or other alienation of stock of any regional corporation by its shareholders. These restrictions also apply against alienation

of the village corporation stock. In any statutory merger or consolidation under Alaska law, a shareholder would be exchanging his shares in one corporation for shares of stock in another corporation and, therefore, no such mergers or consolidations may take place without enactment of appropriate legislation which modifies the restrictions against alienation of stock. This bill is intended to accomplish this.

Under the provisions of this bill, mergers or consolidations among village corporations within the same region would be authorized. Only intraregional mergers would be permitted. This assures that any corporations resulting from mergers carried out pursuant to this bill would continue to be owned and controlled by enrolled Alaskan Natives.

The bill further permits the subsequent merger of any such merged corporations with other such merged corporations within the same region. This is intended to cover the situation where not all the Settlement Act corporations in a region merge at once.

Furthermore, the measure expressly would be applicable to mergers which are voted on by shareholders either before or after the bill's enactment. This would allow mergers which may be voted on and approved by the shareholders before Congress enacts legislation to permit the merger to be carried out, with the merger vote contingent upon such legislation.

Once a merger had taken place, the merged corporation would be entitled to all rights and benefits of the Settlement Act which otherwise would be directed at the individual regional or village corporations which participated in the merger, and would be subject to all the restrictions and obligations as were applicable to such corporations. Transfers of rights and titles pursuant to a merger would not affect the tax exemptions granted by the Settlement Act.

Two provisos are also contained in this bill. The first of these is intended to clarify what otherwise would be an ambiguity as to whether or not, in a merger, the shareholders may exercise dissenters' rights. In any merger or consolidation under Alaska law a shareholder voting against the merger may make demand for payment of the value of his shares, and if the merger becomes effective, the corporation must buy out his shares.

The second proviso permits the elimination under certain circumstances of the extra dividend rights given to non-village residents as part of the terms of a merger or consideration. A merger of the village corporations into a regional corporation would eliminate any distinction between the two classes of shares, and after the merger all stockholders would be placed on the same footing. The nonvillage residents would lose their extra dividend rights; in exchange, however, they would acquire, through the merger, a percentage share of the assets formerly held by the village corporations. Without the proviso, however, would allow the elimination of these dividends in a merger only if the class of shareholders affected thereby is per-

mitted to vote on the merger separately as a class and votes in favor of it.

As stated previously, the need for this legislation arises because of certain peculiar circumstances existing in some of the regions. The boards of the corporations in the NANA region came to realize that some of the corporations simply were too small and too inexperienced to survive on their own, and that they had little chance of ever becoming thriving business enterprises.

Sufficient funds were not available to allow the corporations to operate without incurring losses. Management talent, of course, was also scarce; few Natives in these villages have ever operated corporations. In the NANA region the problem is further compounded by the fact that many of the villages are in extremely remote locations, with little if any communications facilities to the outside world, and only the airplane as transportation. For this reason, NANA, until now, has been carrying its village corporations, assisting them with virtually all administrative actions that are required. The corporations, therefore, came to realize that the only permanent solution is to merge with each other, or with NANA. The resulting larger corporation or corporations would then stand a much better chance of long-term survival.

At informal meetings held in the villages, an overwhelming majority of the village corporation stockholders attending indicated they were in favor of merger and asked the various boards to pursue the proposal. This support results in part from the fact that the Natives in the various villages in the region historically share a strong common heritage and bond. Regardless of what village in the region they may be from and which village corporation they may be stockholders in, they view themselves as all being united as part of the region, and their main interest is in the survival of the region as a whole and of the regional corporation. For these reasons, there is strong sentiment in favor of a merger in the village corporations.

The Natives desire to succeed in the endeavor begun under the Settlement Act. They want to become self-sufficient, but they realize that this cannot occur if they continue to operate as separate entities. Thus, the key to them realizing this goal lies within the merger of the village corporations into a strong and vital body capable of handling the many needs of the village corporations and their shareholders. If this legislation is enacted, such a merger can be made possible at the option of the various village corporations.

Mr. President, I ask unanimous consent that the text of this bill be printed in the *Record* immediately following my remarks.

There being no objection, the bill was ordered to be printed in the *Record*, as follows:

S. 685

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any provision of the Alaska Native Claims Settlement Act (85 Stat. 688), any corporation created pursuant to sec-*

tion 7 (d) or 8 (a) of such Act within any of the twelve regions of Alaska, as established by section 7 (a) of such Act, may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created for the same region.

(b) Any corporations resulting from said mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7 (d) or 8 (a) of the Alaska Native Claims Settlement Act. Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, and may take place pursuant to votes of shareholders held either before or after the enactment of this Act. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges and benefits of the Alaska Native Claims Settlement Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State and local taxation, and shall be subject to all the restrictions and obligations of such Act, as are applicable to the corporations and shareholders which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place.

(c) Notwithstanding the provisions of section 7 (h) (1) or 8 (c) of the Alaska Native Claims Settlement Act, the stockholders of any corporation participating in any such mergers or consolidations may exercise the rights accorded under Alaska law to dissenting shareholders in a merger or consolidation.

(d) Notwithstanding the provisions of section 7 (m) of the Alaska Native Claims Settlement Act, in any merger or consolidation in which the class of stockholders of a regional corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the elimination of the right of said class to receive dividends pursuant to said section 7 (m).

SEC. 2. Notwithstanding any other provision of this Act or of any other law, no such corporation referred to in the first section of this Act may so merge or consolidate unless that corporation's shareholders have approved such merger or consolidation of that corporation with any other such corporation or corporations.

By Mr. CANNON (for himself and Mr. EASTLAND):

S. 691. A bill to increase benefits provided to American civilian internees in Southeast Asia. Referred to the Committee on the Judiciary.

Mr. CANNON. Mr. President, on behalf of Senator EASTLAND and myself, I am very pleased to submit an amendment to the War Claims Act of 1948. A similar amendment (S. 1728) passed the Senate during the last Congress, but unfortunately the House attached an additional provision which proved unacceptable to the Senate.

In essence, our bill would amend section 5 of the War Claims Act of 1948 to increase the authorized detention benefit for American civilians during the Vietnam conflict from \$60 per month to \$150 per month. These benefits would be paid from funds which have already

been appropriated under the fiscal year 1973 supplemental appropriation of \$16 million to the Foreign Claims Settlement Commission. These funds are available until expended and would be used for payment of civilian internee benefits under this amendment when enacted.

Mr. President, I am hopeful that the 94th Congress will move forward with consideration of this amendment as it now stands, without the additional provision which killed the bill during the last Congress. At this time, I request that this bill be appropriately referred and ask unanimous consent that the following material be printed in the *Record*:

First. Cannon-Eastland bill;

Second. Legislative chronology of S. 1728;

Third. Excerpt from House Report No. 93-1179; and

Fourth. Excerpt from House debate on S. 1728, August 12, 1974.

There being no objection, the material was ordered to be printed in the *Record*, as follows:

S. 691

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(1)(3) of the War Claims Act of 1948 (50 App. U.S.C. 2004(1)(3)) is amended by striking out "\$60" and inserting in lieu thereof "\$150".*

#### ATTACHMENT 2

##### LEGISLATIVE CHRONOLOGY OF S. 1728

S. 1728: Revised digest exists (CG93) %, mittee on Judiciary.

##### ACTIONS:

5/8/73: srcm010, Referred to Senate Committee on Judiciary.

10/4/73: scac070, Reported to Senate, S. Rept. 93-434.

10/8/73: sfac150, Measure passed Senate.

10/9/73: nrcm010, Referred to House Committee on Interstate and Foreign Commerce.

7/3/74: ncac080, Reported to House, amended, H. Rept. 93-1179.

8/12/74: nfac080, Measure passed House, amended, roll call No. 477 (368-17).

12/19/74: conf070, House agreed to conference report.

#### ATTACHMENT 3

##### EXCERPT FROM HOUSE REPORT NO. 93-1179

##### CIVILIAN INTERNEE BENEFITS

Detention benefits for civilians and members of the U.S. Armed Forces were authorized by the War Claims Act of 1948 to provide a measure of compensation for those Americans captured and held as prisoners of war during World War II. The original law set the benefit rate at \$60 per month for civilians and \$2.50 per day (equivalent to \$75 per month) for military personnel. In 1954 the Act was amended to include internees during the Korean conflict. Another amendment in 1970 (Public Law 91-289) authorized detention benefits for civilian and military internees in Southeast Asia during the Vietnam conflict. The rate for civilian benefits was continued at \$60 for each calendar month.

To qualify for the benefit a civilian must be a United States citizen who was captured in Southeast Asia during the Vietnam conflict or who went into hiding in Southeast Asia in order to avoid capture by a hostile force. The benefit is not authorized for any person who voluntarily, knowingly, and without duress gave aid to or collaborated with or in any manner served any hostile force. The benefit is effective for all periods during which a civilian was interned in Southeast

Asia during the Vietnam conflict. The Foreign Claims Settlement Commission determines the amount and validity of benefit claims and provides for payment of adjudicated claims from appropriated funds.

The detention benefit for military personnel was raised by Public Law 91-289, enacted in 1970, and is presently \$2.00 for each day without adequate food and \$3.00 per day for certain other violations of the Geneva Convention of 1949. All the military prisoners whose claims have been processed by the Foreign Claims Settlement Commission have qualified for and have been paid the total benefit of \$5 per day. No comparable increase in benefits was made in 1970 with respect to civilian American citizens held by a hostile force in Southeast Asia. American civilian prisoners suffered the same deprivations and hardships during the Vietnam conflict as military prisoners. Therefore, it is a matter of equity to give civilians the same detention benefit that is provided under the 1948 Act for military personnel.

#### ATTACHMENT No. 4

EXCERPTS FROM HOUSE DEBATE ON S. 1728,  
AUGUST 12, 1974

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS):

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of S. 1728, a bill to amend the War Claims Act of 1948.

This bill amends two sections of the War Claims Act of 1948 to accomplish different purposes. Section 5 is amended to increase the authorized detention benefit for American civilians during the Vietnam conflict from \$60 to \$120 per month. The purpose is to raise the detention benefits authorized for civilians who are or were being held as prisoners to the same level presently authorized for military personnel. Since American civilian prisoners suffered the same deprivations and hardships as military prisoners, it is a matter of equity to give them the same detention benefit.

No appropriations are involved, since funds have already been appropriated for payment of the internee benefits.

Section 213 of the War Claims Act is amended to give a first priority to the payment in full of the remaining individual awards for property losses arising out of World War II. Then the bill gives a second priority to payment of the remaining corporate awards for similar losses up to the level of \$50,000.

Existing law provides for payment of the major part of both individual and corporate awards on a proportional basis. The unpaid corporate awards total \$94.7 million; the unpaid individual awards total \$6.5 million. Therefore, pro rata payments would distribute most of the remaining funds to the largest corporate claimants.

Payments for property losses are made from the War Claims Fund, a trust account on the books of the U.S. Treasury. Therefore, no appropriations are required for this amendment to the War Claims Act. The War Claims Fund consists of the net proceeds of German and Japanese assets seized in the United States during World War II.

The sums remaining in the fund will not be sufficient to pay all remaining claims in full. For this reason, priorities of payment become important. Equitable considerations concerning the nature of the individual losses led to the decision to give priority to their payment, followed by payment of the smaller remaining corporate awards.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, does not the gentleman from West Virginia think that as a matter of principle it is unfair to pay

civilians as military personnel are paid under the circumstances of Vietnam?

Mr. STAGGERS. That is debatable. If the gentleman from Iowa will let me explain, they were there doing jobs, at least, most of them, for the Government, serving their country only in a different capacity. Especially in view of the fact that there are so few civilian internees, only 66, I would say to the gentleman from Iowa that they should receive the same benefit as military personnel.

Mr. GROSS. Is it not true that the civilians were there voluntarily?

Mr. STAGGERS. Some were and some were not. Some were, as I understand.

Mr. GROSS. What is that?

Mr. STAGGERS. Some were working for the Government, and were there under orders.

Mr. GROSS. I do not think that any of them were drafted as civilians and sent to Vietnam.

I do not want to make an issue of this particularly, but I wonder if we are not here setting a precedent which may live to haunt us later. I think there is a great distinction from one who is voluntarily in Vietnam, and someone who may have been involuntarily there.

Mr. STAGGERS. I would say to the gentleman from Iowa that some of these were serving the Government, along with the military personnel, and they were captured. They were doing their jobs just the same as the military personnel were.

Mr. GROSS. That may well be. They are both serving the Government, but on an entirely different basis.

Mr. STAGGERS. That is true. And both of them were interned in the same camps and had to undergo the same kind of treatment.

By Mr. HOLLINGS (for himself and Mr. MAGNUSON):

S. 692. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes. Referred to the Committee on Commerce.

#### NATURAL GAS PRODUCTION AND CONSERVATION ACT

Mr. HOLLINGS. Mr. President, I introduce for appropriate reference the Natural Gas Production and Conservation Act. For the past several weeks a Democratic Caucus Committee has worked hard to propose a comprehensive energy and economic program to restore health and full employment to our economy. This program draws on idle industrial and manpower capacity in an effort of wartime intensity to build greater efficiency in consumption and enlarge production of energy.

The program is an alternative to that proposed by the President, which sets a course of wrenching the economy further by cutting energy supplies, raising prices, and hoping the energy budget will somehow balance out. The President's program may add to the burdens of inflation, deepening recession, and unemployment that now plague the Nation.

As part of the congressional program to restore a vigorous full-employment economy, we are introducing legislation to reform Federal policy regarding natural gas.

The appropriate form of Federal regulation of natural gas wellhead prices has been a subject of great concern to the Commerce Committee. This is a matter of considerable controversy, and during the last Congress the Commerce Committee held more than 21 days of

hearings on a dozen proposals to amend the Natural Gas Act of 1938.

The proposal that I introduce today is the culmination of this exhaustive examination.

This proposal rejects the complete deregulation of new natural gas prices. Such action would cost consumers billions of dollars per year and provide no assurance that supplies would be substantially increased. This is the wrong time to impose such additional costs on an already extremely fragile economy.

We are convinced that price ceilings for new natural gas must be established to provide new certainty to producers and prevent natural gas prices from soaring to the equivalent of cartel-imposed oil prices. A growing body of evidence suggests that domestic production of natural gas has reached a peak and that resource constraints will prevent an enlargement of supplies regardless of the price. A recent Federal Power Commission Staff Report entitled "A Realistic View of U.S. Natural Gas Supply" concludes that:

A significant point that emerges from our analysis is that conventional U.S. gas production has reached its peak and will be declining for the indefinite future. This reverses a long historical record of growth and introduces a new dimension to the gas shortage. It is no longer simply a matter of gas supply failing to meet increasing requirements. It means that from here on, we must make do with less gas in absolute terms.

The proposal which we introduce today is intended to deal with these new realities. It would establish new gas ceiling prices designed to provide greater certainty and incentives to natural gas producers. These ceiling prices would be automatically adjusted for inflation. Except for obtaining essential information, the FPC would have no jurisdiction over producers. The artificial distinction between interstate and intrastate prices would be eliminated—as in the case of oil, natural gas ceiling prices would apply throughout the Nation. The bill contains a number of other provisions designed to alleviate current natural gas shortages and improve the supply situation. Also established are mandatory natural gas conservation measures and allocation of gas to high-priority end-uses.

Mr. President, I ask unanimous consent that the accompanying description and text of the proposal be printed in the RECORD at this point.

There being no objection, the bill and description were ordered to be printed in the RECORD, as follows:

S. 692

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975".*

SEC. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by striking out section 24 thereof (15 U.S.C. 717w) in its entirety and by inserting immediately after the enacting clause thereof and before section 1 thereof (15 U.S.C. 717) the following: "That this Act may be cited as the 'Natural Gas Act'."

#### "TITLE I—GENERAL PROVISIONS"

SEC. 3. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding at the end thereof the following new title:

## "TITLE II—PRODUCTION AND CONSERVATION INCENTIVES"

### "SHORT TITLE"

"Sec. 201. This title may be cited as the 'National Gas Production and Conservation Act'."

### "DEFINITIONS"

"Sec. 202. As used in this title, the term—  
 "(1) 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person. The Commission is authorized and directed to define the terms 'control' and 'ownership';  
 "(2) 'boiler fuel use of natural gas' means the use of natural gas as the primary source of fuel for the purpose of generating steam or electricity;  
 "(3) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a));  
 "(4) 'intrastate commerce' means commerce between points within the same State, unless one such point is located upon Federal land within such State or unless such commerce passes through any place outside such State;  
 "(5) 'Mcf' means a thousand cubic feet of natural gas of pipeline quality at 14.73 pounds per square inch at 60 degrees Fahrenheit.  
 "(6) 'new natural gas' means natural gas production which is irrevocably dedicated to interstate or intrastate commerce for at least 20 years but which the Commission in its discretion determines was not dedicated prior to January 1, 1975;  
 "(7) 'old natural gas' is natural gas which, prior to January 1, 1975 was dedicated to interstate commerce as determined by the Commission on the date of the first certification of such natural gas;  
 "(8) 'producer' means a person who produces and commits to interstate or intrastate commerce more than 10 million Mcf of natural gas per year or who produces natural gas and does not qualify as a smaller producer;  
 "(9) 'purchaser' means a person who purchases or acquires natural gas from a producer or small producer;  
 "(10) 'residential user' means a person who uses natural gas for personal, family, or household purposes;  
 "(11) 'small user' means a person or governmental entity using less than fifty Mcf of natural gas on a peak day of natural gas usage in the preceding calendar year;  
 "(12) 'small producer' means a person as determined by the Commission (A) who is not an affiliate of a person who produces and designate one or more high-cost production commits to interstate or intrastate commerce more than 10 million Mcf of natural gas or an affiliate of a person engaged in, or who is not himself engaged in, the transportation by pipeline of natural gas in interstate or intrastate commerce; and (B) who together with all affiliates, if any, has not produced and committed to sale more than 10 million Mcf of natural gas in the calendar year preceding or during the year in which he wants to qualify for small producer pricing under section 204 of this title as determined by the Commission; and  
 "(13) 'user' means a person or governmental entity using any natural gas which is supplied in interstate or intrastate commerce.

### "NEW NATURAL GAS"

"Sec. 203. (a) GENERAL.—Notwithstanding the provisions of sections 4 and 5 of this Act and except as provided in subsection (c) of

this section, new natural gas may be sold or transferred in interstate or intrastate commerce by a producer, only if its total price, including the market value of any advance payments or any other form of compensation, at the time deliveries are first commenced does not exceed the sum of—  
 "(1) a base price as determined in accordance with subsection (f) of this section;  
 "(2) any applicable adjustment in accordance with subsection (b) of this section; and  
 "(3) an additional amount, if any, authorized to be charged under subsection (c) or (d) of this section.

"(b) BASE PRICE ADJUSTMENT.—Commencing July 1, 1975, and at annual intervals thereafter, the national base price enumerated in subsection (a) (1) of this section shall be adjusted for any inflation by multiplying it by a number whose numerator is the annual implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product for the base year 1974 as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce. The adjusted base price shall only be applicable to new natural gas sold during the year for which such adjusted base price is applicable.

"(c) ANNUAL PRICE INCREASE.—A producer may, at the time of dedication of new natural gas, provide by contract for an annual cumulative increase in the price of such natural gas which is delivered in a particular year. Such increase may not exceed 2 per centum per year of the adjusted base price at the time of such commitment.

"(d) SPECIAL PRICE.—(1) The Commission may authorize a person to charge for new natural gas an amount in excess of the price authorized in subsection (a) of this section, in any high-cost production area designated by the Commission. The Commission may areas, and pursuant to subsection (f) of this section may establish one or more high-cost production area base rates if the Commission finds—  
 "(A) that the current and prospective costs of production in such high-cost production area or areas designated by the Commission are substantially above the base price authorized under subsection (a) of this section; and  
 "(B) the production of new natural gas in such designated high-cost production areas promotes the public convenience and necessity.

"(2) The Commission shall authorize a person to charge for new liquefied or synthetic natural gas a special price, which is in excess of the price authorized in subsection (a) of this section, if such person establishes to the satisfaction of the Commission that such liquefied or synthetic natural gas production promotes the public convenience and necessity and that such additional charge is necessary or appropriate to permit such person to recover costs incurred plus a reasonable rate of return on such person's investment in producing or making available to a purchaser such liquefied or synthetic natural gas. Any plant constructed and operated for the purpose of manufacturing synthetic natural gas for sale in interstate commerce shall be subject (A) to the jurisdiction and authority of the Commission under title I of this Act to the same extent as any natural gas company; and (B) to the provisions of this section: *Provided*, That such jurisdiction and authority shall not include the feedstock of such plant or facilities associated with such feedstock.

"(e) EXCEPTION.—(1) The Commission is authorized and directed to prohibit a producer of new natural gas from selling such natural gas at a price authorized in this section if—  
 "(A) such producer had discovered such

natural gas on Federal lands 2 years or more prior to the date of enactment of this title; and  
 "(B) such producer does not establish to the satisfaction of the Commission that it was reasonable for such producer not to have dedicated such natural gas to interstate commerce prior to the date of enactment of this title.

"(2) A producer of new natural gas who is prohibited by paragraph (1) of this subsection from selling such natural gas at a price authorized under this section shall only be permitted to sell such natural gas in interstate commerce as if it were old natural gas and dedicated to interstate commerce as of the date of enactment of this title. Such a producer shall also be subject to the production requirements of subsection (c) of section 207 of this title.

"(f) COMMISSION BASE PRICE DETERMINATION.—(1) Within 180 days following the date of enactment of this title, the Commission shall establish an initial national base price to be retroactive to January 1, 1975, of new natural gas and shall review and reestablish the national and any high-cost production area base price at five-year intervals after initial establishment pursuant to paragraphs (2), (3), and (4) of this subsection. The initial national base price shall be not less than 40 cents per Mcf and not more than 75 cents per Mcf at a heating value of 1 million British thermal units of energy per Mcf.

"(2) In establishing the initial base price of new natural gas within the range prescribed in paragraph (1) of this subsection, and in establishing subsequent national and high-cost production area rates, if any, the Commission shall consider current and prospective costs of production of such natural gas in the relevant area and a reasonable rate of return on investment which is conducive to attracting capital necessary to increase supplies of such natural gas.

"(3) In establishing any base price for new natural gas, the Commission shall proceed in accordance with the provisions of section 553 of title 5, United States Code, and in addition shall afford interested persons an opportunity to present testimony in oral hearings and permit limited cross-examination by representative parties on any issue of fact which the Commission, in its discretion, determines is material and if such cross-examination is necessary and appropriate in light of the time constraint set forth in paragraph (1) of this subsection.

"(4) There shall be no review by any court of a decision of the Commission establishing the initial national base price which is within the range prescribed in paragraph (1) of this subsection.

"(g) CONTRACT SANCTITY.—The Commission shall not under a decrease in the price of new natural gas with respect to any sale of such new natural gas which is made pursuant to price ceilings established under section 203 or 204 of this Act which were in effect at the time such new natural gas was first delivered.

"(h) COST PASSTHROUGH.—The Commission shall permit the passthrough, on a dollar-for-dollar basis, of the cost of all new natural gas purchased by any person engaged in the transportation by pipeline of natural gas in interstate commerce unless such costs exceed the applicable price ceiling established pursuant to this Act in which case the Commission shall not permit such passthrough.

"(i) TREATMENT OF OTHER GAS.—(1) After the date of enactment of this title, all sales of natural gas in interstate commerce which are not of old natural gas must comply with the provisions of this Act concerning new natural gas. (2) After the date of enactment of this title, all sales of new natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas.

"(1) After the date of enactment of this title, all sales of natural gas in interstate commerce which are not of old natural gas must comply with the provisions of this Act concerning new natural gas. (2) After the date of enactment of this title, all sales of new natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas.

**"SMALL PRODUCER PRICING**

"SEC. 204. Notwithstanding the provisions of sections 4 and 5 of this Act (15 U.S.C. 717c, 717d), a small producer may sell new natural gas in interstate or intrastate commerce at a price which exceeds the price authorized to be charged by a producer pursuant to section 203 of this title, so long as such price does not exceed the applicable authorized price by more than 50 per centum: provided, That a small producer may not sell new natural gas in interstate or intrastate commerce at a price which exceeds the price authorized to be charged by a producer pursuant to such section 203 if such new natural gas was discovered by a producer, as determined by the Commission in its discretion.

**"OLD NATURAL GAS**

"SEC. 205. The Commission, notwithstanding any other provision of law, shall not authorize an increase in the price charged by a producer or small producer of old natural gas unless such an increase is necessary—

"(1) to afford such producer or small producer a total price which is equal to a price which the Commission has authorized a similarly situated producer or small producer to charge for old natural gas; or

"(2) to cover the cost of production of such old natural gas and to provide a fair rate of return to such producer or small producer.

**"RESIDENTIAL AND OTHER SMALL USERS**

"SEC. 206. (a) GENERAL.—The Commission shall—

"(1) require all persons engaged in the transportation by pipeline of natural gas in interstate commerce (herein referred to as 'pipelines') to file separate tariffs with respect to (A) old natural gas and (B) new natural gas, in such form and manner as to reflect the price and volumes of each which enter each such pipeline;

"(2) require all pipelines to give first priority, for sales or transfers under the applicable tariff for old natural gas, to local distribution companies and to supply such gas to such companies in sufficient volume to meet the requirements of each such company's residential users and small users; and

"(3) promulgate rules to govern pipeline-to-pipeline sales or transfers or sales or transfers to local distributors served by multiple pipelines, to the extent necessary to achieve the purpose of this section.

"(b) ENFORCEMENT.—It shall be unlawful for local distribution companies to charge residential users and small users rates which do not reflect the lesser cost of natural gas for such uses pursuant to subsection (a) of this section.

**"INCREASING NATURAL GAS SUPPLIES**

"SEC. 207. (a) PROMPT CERTIFICATION.—All applications, except where 2 or more pipelines file competing, mutually exclusive applications made by a pipeline under section 7(c) of this Act (15 U.S.C. 717f(c)) for the construction of facilities to transport new natural gas shall be decided by the Commission in accordance with this section. The Commission shall grant (with or without conditions) or deny such applications within 120 days of the filing of an application or within 120 days after the date of enactment of this title, in the case of applications pending before the Commission on such date. The 120-day period shall commence with the date on which such applications contain all of the information required by the Commission. If the Commission fails to grant or deny any such application within such 120 days, the Commission shall be deemed to have approved such application as last submitted.

"(b) EXEMPTION.—Notwithstanding any other provision of law, sales of new natural gas by producers or by small producers may be made without any application for a certificate of public convenience and necessity

under section 7(c) of this Act (15 U.S.C. 717f(c)) and such sale shall be—

"(1) made at a price pursuant to the provisions of section 203 of this title if the sale is by a producer or section 204 of this title if the sale is by a small producer; and

"(2) irrevocably dedicates all new gas production to the sale for at least 20 years.

"(b) In certifying facilities for transporting or gathering new natural gas on Federal lands, the Commission shall require such transportation and gathering facilities to be common carriers available for use by any natural gas company to transport natural gas upon payment of a reasonable transportation fee. The Commission shall require existing gathering and transportation systems to operate on such a common carrier basis to the extent that surplus capacity is available.

"(c) PRODUCTION REQUIREMENT.—(1) Notwithstanding any other provision of law, any agreement (including a renegotiation) pertaining to oil or gas development on Federal lands consummated on or after the date of enactment of this title shall require, as a condition to such agreement, that the person granted the right of development design and implement immediately an exploratory and development program designed to obtain maximum production from such lands as soon as practicable, subject to submission of such program to, and its approval by, the Secretary of the Interior. The person granted the right of development shall inform the Commission in writing immediately upon the discovery of natural gas on any such lands, including an estimate of volumes discovered and a timetable for commercial development. Such person shall within 90 days thereafter supply the Commission with a detailed timetable of the actions necessary to produce and begin selling such natural gas in interstate commerce within 2 years of the date of discovery unless the Commission finds, upon the petition of the person granted such rights, that the volumes of natural gas discovered or developed are not sufficient to be commercially viable or that other valid reasons (not including market demand prorationing) exist which justify delaying the production until a subsequent date certain. If such a petition is granted, the Commission shall require the person granted such rights to submit monthly reports of actions taken to begin production at the earliest possible time. The Commission shall also advise other interested Federal agencies and assure that all possible steps are taken to commence gas production at the earliest possible time.

"(2) Unless such natural gas is produced and sold within 2 years after the date of discovery of natural gas on such Federal lands, or unless such a petition is granted and in effect and its terms complied with, the rights that had been granted the person to develop natural gas or oil on the Federal lands covered by such agreement shall terminate and any sum paid for such rights shall be forfeited.

"(3) With respect to agreements pertaining to oil or gas development on lands owned by the Government of the United States (other than lands containing Naval Petroleum Reserves) consummated prior to the date of enactment of this title, the requirements of paragraphs (1) and (2) of this subsection shall be applicable to the fullest extent legally permissible, such agreements shall be terminated or renegotiated, by the earliest possible date so as to make such requirements applicable.

"(c) REPORT.—The Secretary of the Interior, to aid in enforcement of subsection (b) of this section, shall report to Congress and the Commission within ninety days after the date of enactment of this title, and annually thereafter, on the status of all Federal lands leased or planned to be leased in the subsequent year for oil and gas development. Each such report shall list all par-

cels planned to be leased in the subsequent year and parcels leased, the holder of such lease, the Interior Department's prelease evaluation of probable quantities and values of oil and gas underlying such lease, the number of exploratory and developmental wells drilled to date, whether oil and gas have been discovered at the time of the report, the date on which any oil or natural gas not being produced was discovered, estimated reserves of oil and gas, and annual production of oil and gas therefrom.

"(d) RESOURCE EVALUATION.—In estimating the value of natural gas on Federal lands for the purpose of determining the sufficiency of any bid, the Secretary of the Interior shall utilize the appropriate applicable price ceiling established by the Commission as adjusted pursuant to sections 203 or 204 of this title.

"(e) DEDICATION REQUIREMENT.—After January 1, 1975, all production of new natural gas from Federal lands shall be sold or transferred in interstate commerce.

"(f) RESERVE INFORMATION.—Each producer and small producer shall make available to the Commission on a current basis an up-to-date account of the natural gas reserves which it has discovered on a reservoir-by-reservoir basis. The Commission is authorized and directed to take such steps as are necessary to verify and, if necessary, correct such reserve information, and shall make such reserve information available to the Congress and the public in a meaningful and understandable form. Any producer or small producer who fails to comply with this requirement shall be barred from bidding on any lease or grant on any Federal lands, and the district courts of the United States shall have jurisdiction to enforce such requirement.

**"NATURAL GAS CONSERVATION**

"SEC. 208. (a) GENERAL.—The Commission by rule shall prohibit boiler fuel use of natural gas and propane in interstate and intrastate commerce not contracted for prior to the date of enactment of this title by users other than residential or small users unless, upon petition by a user, the Commission determines that—

"(1) such user has a plan to convert as soon as possible to alternative fuels produced in any State; or

"(2) it is not feasible to utilize such alternative fuels at the time of such Commission determination.

"(b) EXISTING CONTRACTS.—The Commission shall promulgate by rule a national plan to prohibit as soon as practicable boiler fuel use of natural gas and propane contracted for prior to January 1, 1975, by users other than residential or small users. In determining practicability, the Commission shall consider all relevant factors, including but not limited to, the availability of alternative energy supplies produced in any State, the ability to satisfy applicable pollution prevention standards when using such alternative fuels, and the need to avoid imposing unreasonable economic hardships. The Commission shall coordinate its activities with other Federal agencies to assure that boiler fuel use of natural gas by users ended to the maximum practicable extent 10 years after the date of enactment of this title. The Commission shall also encourage conservation and more efficient use of natural gas by all other users.

"(c) PROCEDURE.—In implementing the provisions of this section with respect to intrastate commerce, the Commission shall apply the provisions of section 17 of this Act (15 U.S.C. 717p).

"(d) EFFECT ON OTHER LAWS.—Nothing in this title shall impair any requirement in any State or Federal law pertaining to safety or environmental protection, and the Commission in determining feasibility or practicability where required by this section shall

not assume that there will be any diminution in any safety or environmental requirement established pursuant to State or Federal law.

#### "NATURAL GAS CURTAILMENT

"SEC. 210. (a) **ESSENTIAL AGRICULTURAL PURPOSE.**—(1) Notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect upon the date of enactment of this title, the Commission shall prohibit any interruption or curtailment of the transportation or sale of natural gas and take such other steps as are necessary to assure as soon as possible the availability in interstate commerce of sufficient quantities of natural gas for use as a raw material feedstock or process fuel (for which there is no substitute except propane) in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. As used in this subsection, the term 'sufficient quantities' means the amounts of natural gas which the Secretary of Agriculture certifies to the Commission are necessary to provide sufficient fertilizer and essential agricultural chemicals (A) to meet domestic requirements; and (B) to meet the Nation's obligations to carry out humanitarian objectives, except to the extent that any such amounts are required to maintain natural gas service to existing residential and small users.

"(2) Notwithstanding any other provision of law, a rule implemented by the Commission pursuant to paragraph (1) of this subsection shall apply also with respect to the availability of natural gas sold in intrastate commerce in any State which has not, within 90 days after the date of enactment of this title, adopted a rule to implement the purposes of such paragraph.

"(3) The Commission shall formulate rules and regulations to implement this subsection.

"(b) **FACILITY INTERCONNECTIONS.**—Notwithstanding the provisions of section 7 of this Act (15 U.S.C. 717f), the Commission may, by order in accordance with this subsection, direct any natural-gas company to establish a physical interconnection between any specified facility of such company and any specified facility of any other such company, any producer, or any small producer. The Commission may issue such an order upon petition of any natural-gas company, producer, small producer, or user, or on its own motion, after (1) publishing a notice thereof in the Federal Register; (2) allowing interested persons an opportunity to submit written data, views, and arguments and providing an opportunity for a hearing; and (3) finding (and publishing such finding together with the reasons therefor) that the establishment of such interconnection is in the public interest for the purpose of natural gas in the event that a natural-gas supply emergency develops within the service area of any natural-gas company affected by such order.

"(c) **NATURAL-GAS SUPPLY EMERGENCY.**—The Commission may declare that a natural-gas supply emergency exists along the transmission routes or within the service area of a natural-gas company which is unable or may be unable to supply its users with the amounts of natural gas determined by the Commission to be necessary to preserve public health or safety or to avoid extreme economic hardship. Any such declaration shall state the nature and extent of such supply emergency, its likely duration, and the remedial steps proposed or ordered by the Commission to deal with such emergency. Whenever such an emergency is declared, the Commission may, by order, direct any natural-gas company or companies which it not itself experiencing such an emergency to make specified deliveries of natural gas, directly or indirectly, to the natural-gas company which is experiencing such emergency. The amount of natural gas

specified to be delivered pursuant to such order may not exceed the amount which such company can deliver without creating a comparable emergency along its own transmission routes or within its own service area. A company delivering natural gas pursuant to such an order shall be compensated for such gas at a rate equal to the price of the highest-cost natural gas sold by such company plus any additional price which the Commission determines is necessary to provide such company with incentives to acquire new natural gas to replace the natural gas ordered to be delivered pursuant to such order."

Sec. 4. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended (1) by inserting in paragraph (7) thereof after "thereof," and before "but only insofar" the following: "or between a point upon Federal lands within a State and any other point,"; (2) by inserting in paragraph (5) thereof after "unmixed," and before "or any mixture" the following: "synthetic natural gas"; and (3) by inserting the following new paragraph:

"(10) 'synthetic natural gas' means gas produced from fossil fuel or any derivative thereof."

Sec. 5. Any district court of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, without regard to the citizenship of the parties or the amount in controversy, with respect to any civil action involving any alleged violation of (1) this title, the Natural Gas Act (15 U.S.C. 717(a)), the Federal Power Act (16 U.S.C. 791a et seq.), or any other Federal law under which Congress directs the Commission to exercise any independent regulatory function; (2) any duly authorized rule or regulation issued under any such law; or (3) any condition of any certificate of public convenience and necessity issued by the Commission under any such law. The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the court shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages. Any court of appeals of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, upon petition by the Commission, to grant appropriate mandatory or prohibitive injunctive relief, and, at any time, interim equitable relief.

Sec. 6. The Bureau of Economic Analysis shall continue to compile, and the Department of Commerce shall continue to publish, the implicit price deflator for gross national product, in accordance with procedures consistent with those in effect on January 1, 1975, in order to carry out the purposes of this Act.

#### DESCRIPTION OF NATURAL GAS PRODUCTION AND CONSERVATION ACT OF 1975

##### PURPOSE

The purpose of this proposal is to improve the natural gas supply situation while assuring consumers that inflation in natural gas prices will be kept under control. The bill establishes new gas ceiling prices with automatic cost adjustments for inflation. Such prices will provide new production incentives for producers and at the same time remove the uncertainty over future prices. The ceilings would apply to sales in both inter- and intrastate commerce, but producers would be otherwise freed from regulation. Consumers would be protected from unjustified price increases for flowing natural gas and residential and other small users would be assured relatively stable gas prices by receiving the benefit of the lowest cost

gas which is available to their distributor. Producers on federal lands would be required to develop and produce natural gas as soon as practicable and Federal Power Commission procedures relating to certification of facilities would be streamlined. The proposal would prohibit natural gas from being squandered on large boiler fuel uses that could be feasibly satisfied by alternative fuels. Finally, natural gas would be made available for fertilizer production on a priority basis, and emergency procedures for supplying gas to pipelines in severe curtailment would be established.

##### SUMMARY

**Statutory Formula for New Gas.**—The proposal creates a method for establishing a base price for new natural gas to adequately reimburse natural gas producers for their costs and risks and provide an adequate rate of return. The FPC would be required to establish the initial national base price within 180 days after the date of enactment within a statutory range of 40 to 75¢ per Mcf. The ceiling price would apply to both interstate and intrastate sales by producers. There would be no judicial review of a Commission decision within the statutory range, but the initial national base price would be reviewed by the Commission at 5 year intervals.

The base price would be adjusted each year under an automatic statutory formula to reflect changes in the general level of inflation. The adjusted base price would apply to new natural gas deliveries commenced in that year. In addition, once a producer has dedicated natural gas to interstate or intrastate commerce, he would be allowed to provide by contract for up to a 2 percent annual price increase to compensate for higher operating and maintenance costs. Natural gas committed under the applicable statutory formula would not be subject to future Commission or Court reduction.

The proposal would also reduce the expectations of vastly different prices in the near future. With this kind of certainty, producers would not expect to increase their long-term profit levels by refraining from producing available natural gas supplies at the earliest possible time. The current natural gas situation can be greatly improved by providing such certainty under a simple but fair statutory pricing formula for new natural gas.

A special price based on the cost-of-service may be charged for gas produced in designated high-cost production areas or for liquefied or synthetic natural gas. In addition, the Commission's jurisdiction would be extended to synthetic natural gas plants in an effort to simplify financing and rationalize the construction and operation of such facilities.

All dedications of new natural gas must be for a period of at least 20 years.

**Special Incentives for Small Producers of Natural Gas.**—There are literally thousands of natural gas producers, only a few of which contribute large amounts of natural gas to commerce. The smaller producers bear a higher risk than the large; they do not drill enough wells to statistically anticipate a certain proportion of successes, and consequently their risks often vary substantially from that of the major companies. Yet they drill most of the onshore exploratory wells, explore the marginal areas, and unlike the major producers, they invest substantially all of their revenues in search for new supplies. Increasing their market share can significantly improve competition. For these reasons, the Natural Gas Production and Conservation Act provides that small companies can charge as much as 50 percent more than the rate for new gas determined under the statutory formula. But gas discovered by major producers could not be sold by small producers at prices higher than the applicable statutory ceiling.

**Flowing Gas Price Stability.**—The con-

sumer is protected against unjustified price increases for natural gas presently flowing in interstate commerce. Price increases for old natural gas may be permitted by the FPC only if a producer demonstrates that an increase is necessary to cover higher production costs of such natural gas or is necessary to eliminate discrimination. Paying more for flowing gas provides the consumer with no assurance of receiving additional supplies. The proposed Act places the incentive for new production of gas in the price available for new production.

**Protection of Residential and Other Small Users.**—To protect small users to the maximum extent possible, the proposal requires that the benefits of lower prices for flowing natural gas would be made available first to residential and other small users.

**Increasing Natural Gas Supplies.**—The proposal has additional provisions to increase natural gas supplies. First, the Federal Power Commission is directed to decide within 120 days most applications by pipelines to construct facilities to bring new natural gas from wells to the pipeline system. This would prevent unnecessary bottlenecks developing in the Commission which could slow delivery of new natural gas supplies. To reduce inefficient resource allocation, new natural gas facilities are required to be common carriers. Producers may make sales without obtaining certification from the FPC.

Second, natural gas producers leasing federal lands are required to undertake and complete exploratory and developmental programs to obtain maximum production at the earliest feasible date following the leasing of these lands. The proposal seeks to end the withholding of natural gas by producers on federal lands. Should a producer on federal lands fail to commence deliveries of natural gas to pipelines within two years of the discovery of natural gas, he would forfeit his lease, unless the Commission found that volumes discovered or developed were not of commercially paying quantities or found other valid reasons for a delay in production. This section provides for continued monitoring of annual reporting by the Department of Interior of oil and gas development progress. It also requires all producers to make available to the Commission current estimates of their reserves on a reservoir by reservoir basis and requires the Commission to make independent evaluations of such reserve data. This information will enable the Congress and the public to know the extent of the nation's natural gas supply.

Third, the proposal would end the practice that has recently developed: offshore producers have "reserved" substantial quantities of gas for their own use. The proposed bill would require all production of new natural gas from federal lands to be dedicated to interstate commerce. The revision makes it clear that only future production from federal lands where natural gas is consumed within the producing state would be subject to FPC jurisdiction.

**Natural Gas Conservation.**—Since natural gas, which is in short supply, is a clean-burning, convenient, highly versatile fuel, and an important raw material for many industries, it should be used efficiently and only where alternative fuels are not feasible. A relatively inefficient use of large supplies of natural gas is as boiler fuel for steam or electric generation. Thus, the proposed Act would prohibit boiler fuel use of natural gas and propane in interstate and intrastate commerce for new industrial users where alternative fuel use is feasible. Current boiler fuel users of natural gas would be phased out as soon as practicable. Nothing in the Act would impair any federal or state safety or environmental protection law or regulation. The goal is simply to restrict the use of natural gas in existing and new boiler fuel installations which

generate steam or electricity to free additional supplies of natural gas for high priority users.

**Natural Gas Curtailment.**—Natural gas is an essential ingredient in the production of fertilizer. Current natural gas shortages have not only threatened existing fertilizer production, but has made necessary expansion of fertilizer production difficult. The need to maintain and expand food production is so basic that the proposed Act would require the FPC to assure that adequate supplies of natural gas are available for fertilizer and essential agricultural chemical production in existing and new plants. Such users would have the highest priority except to the extent that natural gas service to existing residential and small users is to be maintained.

The Commission is further authorized to require interconnection among pipelines and producers to alleviate natural gas supply emergencies. This authority is analogous to the Commission's authority to require interconnections among electric utility systems under the Federal Power Act. The Commission is further authorized to order a producer or natural gas company to make deliveries of natural gas to pipelines experiencing a natural gas supply emergency threatening public health or safety or extreme economic hardship. It permits the FPC to allocate gas among the pipelines where necessary to avoid severe inequities.

**Improvements in FPC Administration.**—U.S. District Courts are given jurisdiction to enforce FPC rules and regulations. The definition of new natural gas includes synthetic gas to clarify regulatory treatment of such sources and to protect the consumer. Finally, the Department of Commerce is required to continue to publish the Implicit Price Deflator for Gross National Product in accordance with procedures consistent with those currently in use.

By Mr. WILLIAM L. SCOTT (for himself, Mr. CURTIS, Mr. EASTLAND, Mr. FANNIN, Mr. GOLDWATER, Mr. HELMS, and Mr. THURMOND):

S. 693. A bill to amend the Clean Air Act to establish a limitation on certain air quality standards established pursuant to such Act. Referred to the Committee on Public Works.

By Mr. WILLIAM L. SCOTT (for himself, Mr. EASTLAND, Mr. FANNIN, Mr. GOLDWATER, Mr. HELMS, and Mr. THURMOND):

S. 694. A bill to amend the Clean Air Act with respect to certain stationary source emission limitations. Referred to the Committee on Public Works.

By Mr. WILLIAM L. SCOTT (for himself, Mr. EASTLAND, Mr. FANNIN, Mr. HELMS, Mr. LAXALT, and Mr. THURMOND):

S. 695. A bill to amend the Clean Air Act with respect to certain motor vehicle emission standards. Referred to the Committee on Public Works.

Mr. WILLIAM L. SCOTT. Mr. President, as you know there has been considerable action in the field of pollution control in recent years. However, today's economic and energy situation points to a need for making changes in our environment laws so that this country can continue to grow, prosper and maintain its high standard of living. In my opinion, three measures being introduced today will be helpful in this regard. These amendments are directed toward making reasonable use of our natural resources while not unduly restricting the activities of the individual

or private industry. Joining, as cosponsors of one or more of these bills are Senators CURTIS, EASTLAND, FANNIN, GOLDWATER, HELMS, THURMOND, and LAXALT.

The first amend relates to the non-degradation or significant deterioration issue. A key question in establishing national air pollution control policy is the extent to which regions with no present pollution problems should be protected from degradation. As you know, Mr. President, this matter originally grew out of a court decision, Sierra Club against Ruckelshaus, in which a Federal judge in the District of Columbia held that the Clean Air Act prohibits "significant deterioration" of air of higher quality than the national ambient air quality standards. The decision was upheld by an equally divided 4 to 4 ruling of the Supreme Court, resulting in new regulations by the Environmental Protection Agency to prevent nondegradation in those regions of the country—primarily rural areas—with air purer than the Nation as a whole. It is my understanding that court challenges are being made at this time on EPA's proposals, and it does appear there may be prolonged litigation unless Congress acts to clarify the intent of the law. To accomplish this, my proposal reaffirms the congressional policy to protect and enhance the quality of the Nation's air, and the right to set standards to protect the public health and welfare, but adds the phrase:

nothing in this Act is intended to require or provide for the establishment of standards more stringent than primary and secondary ambient air quality standards . . .

All of us want air quality high enough to protect public health and well-being of the people but I doubt that Congress intended to enact a Federal law which required such a policy as made by the court decision. The present policy, if allowed to stand, could preclude development of industry and energy supply facilities in our more rural areas. However, this bill would permit industries to locate in those areas of the country that want it, consistent with the protection of public health, as determined by national standards.

The second measure is designed to help increase the availability of coal, our most plentiful form of energy. As you know, coal accounts for more than 90 percent of our fossil-fuel resources but provides less than a fifth of the Nation's current energy supply. The Library of Congress indicates that my own State of Virginia can contribute almost 5 billion tons of coal toward the goal of energy independence, but using vast new coal supplies may require changes in the clean air law to provide proper incentives to industry to search for and produce more coal. We are told it takes between 5 to 10 years to open a mine and to raise production to profitable levels, so coal-fired electric utilities may have some reservations about committing to long-term conversion to coal unless it is economically feasible. In my opinion, we can make much more coal usable in this country and still meet air standards to protect public health by modifying certain emission limitations now in effect.

This proposal would permit power

plants to continue burning coal or convert from oil and natural gas to coal on an interim basis through January 1, 1985. The companies would have a 10-year period from the present until 1985 to use so-called intermittent control systems as a means of controlling pollution, with the thought that their effectiveness and practicality can be adequately reviewed during this period while maintaining adequate protection of public health. At this point, Mr. President, I ask unanimous consent to insert in the RECORD a copy of an editorial on this subject which appeared in the Wall Street Journal on Monday, February 3.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CUTTING THE LIGHT BILL

We've been hearing a lot lately about the problems of the electric utilities and some proposals about how government can come to their aid with guaranteed loans, or direct financing or maybe just by taking them over.

As it happens, there is a very simple way for government to aid the electric companies, one that would not plunge the nation further into the morass of capital allocation or state ownership. The industry could be saved vast sums in investment costs and even vaster sums (some \$10 billion a year) in future operating costs, merely by some simple amendments to the Clean Air Act. At the same time, the nation would take a leap toward its oil conservation goals. And there would be no serious damage to the quality of the air or to efforts to clean up bad air where it exists.

The amendments are simple indeed. Under present air quality rules a uniform standard is applied to sulfur oxide emissions from the nation's power plants, regardless of where the plant is sited and the concentration of other pollution sources. But a good many power plants are not in high pollution areas. Such plants can easily meet federal quality standards for ambient air, or in other words the air anyone in the vicinity of the power plant actually *breathes*, with a higher rate of emissions than might be permissible in a dense area.

The Southern Company, the nation's third largest utility company after the TVA and American Electric Power, says the air quality in the vicinity of all its power plants already is well within state and federal limits even when the plants burn abundant and relatively inexpensive high sulfur coal. It achieves this result with precipitators which filter out particulate matter and high stacks which disperse the remaining, largely invisible emissions.

But if Southern Company is forced by law and the Environmental Protection Agency to meet the uniform emissions standards—measured at the stack rather than in the vicinity of the plant—its power generating costs will rise some 30% over the next five years. It will have to invest in either stack "scrubbers," which are both costly and unreliable with present technology, or buy low sulfur fuels either from abroad or from as yet undeveloped and also costly Western sources.

Much of the concern about whether utilities generally can meet financing needs stems from the investment needs posed by the emissions standards, sharp rises that already have occurred in fuel costs and sharp increases in financing costs. They badly need relief. It is loaded with an enormous cost that cannot even be justified on aesthetic grounds.

The answer to that question often has strong emotional overtones, e.g. the utilities are trying to "gut the Clean Air Act; they want to pollute areas that now are pollution free; they are only interested in profits (not that they are making any to speak of at the

moment, anyway). But there is another reason why the utilities were handed a uniform standard and it has little to do with fears that ambient standards would not protect air quality.

Ambient standards would mean that power plants in industrialized and densely populated areas would need more emissions treatment than outlying plants. The cost differentials for power in various regions of the country might well widen. They already are very wide. A kilowatt hour in the Southern System costs two cents compared with nine cents in New York. A further widening could further alter manufacturing cost differentials. Congress felt that the cost of pollution control should be uniform for that reason.

But such a judgment was, in a word, wrong, however well meaning. It imposes an enormous unnecessary burden on certain regions, and on the nation as a whole in the interest of a fuzzy and impossible "equity" goal. As a national policy the exact reverse probably is desirable, to discourage further development of dense areas. Congress can correct this error with a simple amendment and it should do so at once so that utilities can restore some degree of orderly and rational planning to meet future power needs.

Mr. WILLIAM L. SCOTT. The third proposal relates to the postponement of the effective dates to achieve certain emission standards for motor vehicles. As you know, the major pollutants for motor vehicles are hydrocarbons, carbon monoxide, and oxides of nitrogen. This provision would extend the dates for compliance with the more stringent statutory standards by an additional 5 years. It is hoped that this postponement would permit automobile manufacturers adequate time to work toward cleaner motors and to improve fuel economy of all new cars. It does seem reasonable that Detroit should be given sufficient time to plan for new or modified motors and to hold the line on tougher emission standards in an effort to obtain fuel savings.

One manufacturer has testified that tighter standards scheduled for 1977 model-year cars alone would needlessly cost consumers more than \$200 more per car and a 12-percent loss in fuel economy as compared to 1975 model cars. This measure would effectively freeze the Federal emission standards for all three pollutants, allowing them to remain in effect through 1981 model-year cars. There does appear to be support by most American auto companies to carry over the present Federal emission standards rather than going to the more stringent emission requirements for 1977 model cars and beyond. It is said such a 5-year postponement would result in no appreciable sacrifice in air quality, would be less costly and would result in additional fuel savings at a time when we need the energy.

#### By Mr. HUMPHREY:

S. 696. A bill for the relief of certain individuals formerly employed by the Nationwide Food Service in the U.S. Senate restaurant. Referred to the Committee on Post Office and Civil Service.

Mr. HUMPHREY. Mr. President, I introduce and send to the desk a bill relating to the determination of creditable service with respect to civil service retirement, on behalf of certain persons currently or previously employed in the U.S. Senate restaurant.

Over the past three decades, the management of the Senate restaurants has been passed from the Architect of the Capitol to the Nationwide Food Service and then back to the Architect of the Capitol. In this process, some of the employees of the Senate have been unfairly treated. I hope this bill will rectify the oversight.

By Mr. HUMPHREY (for himself, Mr. HUDDLESTON, Mr. MONDALE, and Mr. SYMINGTON):

S. 697. A bill to improve agricultural yields in the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China. Referred to the Committee on Foreign Relations.

#### UNITED STATES-SINO SOYBEAN RESEARCH INSTITUTE PROPOSED

Mr. HUMPHREY. Mr. President, I am today introducing legislation calling for a Soybean Research Institute to be jointly supported by the United States and the People's Republic of China.

I first introduced this legislation in the 93d Congress, and Representative SYMINGTON sponsored a corresponding bill on the House side. I am gratified that Senators HUDDLESTON, MONDALE, and SYMINGTON have joined in sponsoring the bill I am submitting today.

The need for and the usefulness of this legislation has not, in my view, diminished at all. In fact, the urgency of it has increased.

We hear increasing reports that the Chinese may be discouraged with the slow progress of détente to date. This effort, at a fairly technical level, could bring practical benefits to both countries and, at the same time, advance the cause of détente.

A great deal has been written in recent years about the need for research on increasing soybean production. We have begun to learn more about soybean production, but the secret of expanding production per acre has not yet been discovered.

At the same time, the researchers have been trying to adapt the soybean so that it can be grown farther north, and the growing line has been moved farther north in Minnesota.

The Chinese are the world's second largest producer of soybeans, and they could share some of their knowledge with us in terms of growing soybeans in northern climates.

The shortage of food supplies facing the world has now forced governments and agricultural experts to look for ways to increase production, not only through expanding acreage, but by increasing yield per acre. This goal has been achieved in some areas of the world as a result of new rice and wheat strains springing from green revolution research. But these new strains require applications of great amounts of fertilizer, the cost of which has skyrocketed due to increased demand and the outrageous cost of petroleum products.

Soybean research makes good sense in terms of the fertilizer and energy equation. The nitrogen fixation capability of the soybean—in effect, producing its own fertilizer—is well known, but how it

happens is not yet understood. Unlocking this secret could provide a great production boost in other crops while at the same time serving to conserve large quantities of energy.

The world demand for soybeans has grown in recent years, but the productivity per acre has increased little in the last 25 years.

The world needs the increased food supplies that a research breakthrough would provide. With arable land in short supply, we now must look for increased production per acre. And increased soybean production per acre is one area which most experts agree on as a high and urgent priority.

In the fall of 1974 a group of American scientists visited the People's Republic of China. This initiative should now be built upon and extended to concrete subjects such as soybean research.

When I first introduced this bill, the administration indicated a reluctance to support the measure, claiming that it would restrict their room for diplomatic initiative.

On the contrary, the measure is written in very flexible terms and with a minimum of guidance. The Executive should welcome a helpful initiative of this nature, and I hope that the administration will support the measure this year.

Mr. President, I ask unanimous consent that the text of my bill—to increase the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China—be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

## S. 697

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President shall initiate immediate action to improve agricultural yields in the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China, and is authorized to bring together representatives from the two countries for the purpose of planning for establishing a Sino-American Soybean Research Institute (hereinafter referred to as the "Institute").

SECTION 1. The Institute should have as its major objective the following:

(a) to immediately devote its facilities and expertise to the specific need for increased soybean yields and soybean adaptability to new producing regions;

(b) to develop additional uses for soybeans and soybean products as sources of human and animal protein, including the development of new foods and food substitutes and extenders; and

(c) to serve as a basis for full cooperation and coordination between the People's Republic of China and the United States in the field of soybean research and technology.

SEC. 2. (a) The location or locations of the Institute and its form of administration shall be mutually agreed upon by the People's Republic of China and the United States. The United States and the People's Republic of China will equally share staffing and administrative expenses.

(b) For the immediate establishment and the initial operation of the Institute, the President is authorized to use an amount not

to exceed \$2,000,000 annually out of any funds available for the activities of the Agricultural Research Service of the United States Department of Agriculture, or from funds available to any other appropriate Federal Agency.

(c) The President shall also request the Consultative Group on International Agricultural Research of the World Bank to consider funding for the Institute after its establishment.

SEC. 3. In working toward the establishment of the Institute, the President should fully utilize the expertise and experience of organizations active in soybean research, particularly the Agency for International Development and the Food and Agriculture Organization of the United Nations.

By Mr. CANNON:

S. 698. A bill requiring the Secretary of Agriculture to convey certain lands to Mr. and Mrs. Pat Clark of Las Vegas, Nev. Referred to the Committee on Agriculture and Forestry.

Mr. CANNON. Mr. President, I am introducing legislation today to restore certain property in Lee Canyon, Nev., to Mrs. Bernice Clark, whose father purchased it some 30 years ago. At the time of conveyance, Mrs. Clark's family was in the process of moving, and through an understandable inadvertence the deed was not recorded then. Shortly thereafter, the original owner died, and his widow sold the bulk of her property to the U.S. Government which included in what is now Toiyabe National Forest. The widow did not know of her late husband's conveyance to Mrs. Clark's family, and since the deed had not yet been recorded, she mistakenly reconveyed the 1½ acres in question to the Forest Service, which recorded their deed only a few weeks before the original deed was finally recorded.

Bernice Clark and her family have continued to use the land and the cabin they built on it to this day, and it was only recently that the title problem was discovered. The Forest Service advises me that they have no objection to returning this small parcel to Mrs. Clark, but that remedial legislation is required. This bill will do nothing more than return a small tract of land to its equitable owner, whose father gave value years ago and used it in good faith to this day.

Mr. President, I urge prompt and favorable consideration for this legislation to correct a minor mistake which occurred in settling this large estate three decades ago.

By Mr. DOLE (for himself, Mr. GARY HART, Mr. PACKWOOD, Mr. DOMENICI, Mr. ABOWREZK, Mr. BARTLETT, Mr. BELLMON, Mr. BENTSEN, Mr. BIDEN, Mr. BROCK, Mr. CRANSTON, Mr. CULVER, Mr. FANNIN, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRAVEL, Mr. HARTKE, Mr. HASKELL, Mr. HUMPHREY, Mr. JAVITS, Mr. LAXALT, Mr. LEAHY, Mr. MONDALE, Mr. MORGAN, Mr. MOSS, Mr. PELL, Mr. STEVENSON, Mr. TOWER, and Mr. TUNNEY):

S. 699. A bill to permit Senators to use mobile offices in their home States. Referred to the Committee on Appro-

priations and the Committee on Government Operations, by unanimous consent.

Mr. DOLE. Mr. President, today I am introducing legislation which, if enacted, would authorize one or more mobile offices for each Senator in his home State. This bill is drafted in a manner that I hope will give each Senator the greatest degree of flexibility in keeping contact with his constituents. It is also designed to stay within the existing spending constraints in that each Senator, for all stationary and mobile home State offices, would be able to spend a maximum of roughly what he is presently authorized under existing law.

Twenty-nine Senators are presently cosponsoring this legislation. In my opinion, it would not be controversial and hopefully it would give every Senator a greater opportunity to establish better contact with his constituents, especially those Senators from rural and less densely populated States.

## CONTACT WITH RURAL CONSTITUENTS

Seventeen States have a population density of less than 10 persons per square mile over much of the State. The western half of Kansas falls in this category. Many other States have population densities of less than 50 persons per square mile over a substantial portion of the State.

Because of the longer travel distances in these areas, it may often be difficult for constituents in these States to contact their Senators. I have found a need in the western half of Kansas to make more active contact with my constituents. This contact could be accomplished by means of a mobile office.

If this legislation is enacted, it would be my intent to rent a mobile van which could be used to visit rural communities in the State at regular intervals. Those visits would be announced in advance with a notice in the local newspapers. Knowing of the visit, each of my constituents would have a better opportunity to contact my representative personally and present their requests or problems for my action or consideration.

Some Federal agencies are already following a program of visiting small communities on a regular basis, where a permanent office is not kept open at all times. It is my understanding that these regular visits by agency representatives have been successful in better meeting the needs of the rural population.

## COST

Since the Legislative Appropriation Act of 1974 set forth a very specific rate formula for home State offices, it is necessary to modify this formula in order to permit adequate funding for mobile offices. This legislation revises that formula in order to permit adequate funding while staying within the general bounds of the existing legislation.

The existing funding formula is based upon a square footage allotment for every State based on population. I ask unanimous consent that a list of office space authorizations for each State be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

|                     | Total office space authorized (square feet) | Highest GSA rate (dollars per square foot per year) |
|---------------------|---|---|
| Alabama.....        | 5,200                                       | 5.61  |
| Alaska.....         | 4,800                                       | 13.53   |
| Arizona.....        | 4,800                                       | 7.64  |
| Arkansas.....       | 4,800                                       | 6.60  |
| California.....     | 8,000                                       | 9.84  |
| Colorado.....       | 5,000                                       | 7.84  |
| Connecticut.....    | 5,200                                       | 6.82  |
| Delaware.....       | 4,800                                       | 5.65  |
| Florida.....        | 5,800                                       | 7.06  |
| Georgia.....        | 5,400                                       | 5.65  |
| Hawaii.....         | 4,800                                       | 8.98  |
| Idaho.....          | 4,800                                       | 6.96  |
| Illinois.....       | 6,800                                       | 9.95  |
| Indiana.....        | 5,800                                       | 7.72  |
| Iowa.....           | 5,000                                       | 5.12  |
| Kansas.....         | 5,000                                       | 5.44  |
| Kentucky.....       | 5,200                                       | 7.72  |
| Louisiana.....      | 5,200                                       | 7.73  |
| Maine.....          | 4,800                                       | 6.82  |
| Maryland.....       | 5,200                                       | 8.49  |
| Massachusetts.....  | 5,800                                       | 10.90   |
| Michigan.....       | 6,200                                       | 8.52  |
| Minnesota.....      | 5,200                                       | 8.20  |
| Mississippi.....    | 5,000                                       | 6.60  |
| Missouri.....       | 5,400                                       | 5.95  |
| Montana.....        | 4,800                                       | 3.64  |
| Nebraska.....       | 4,800                                       | 5.12  |
| Nevada.....         | 4,800                                       | 6.54  |
| New Hampshire.....  | 4,800                                       | 6.82  |
| New Jersey.....     | 6,200                                       | 10.67   |
| New Mexico.....     | 4,800                                       | 6.44  |
| New York.....       | 8,000                                       | 10.67   |
| North Carolina..... | 5,800                                       | 5.65  |
| North Dakota.....   | 4,800                                       | 3.64  |
| Ohio.....           | 6,600                                       | 8.88  |
| Oklahoma.....       | 5,000                                       | 5.54  |
| Oregon.....         | 5,000                                       | 8.73  |
| Pennsylvania.....   | 6,800                                       | 10.14   |
| Rhode Island.....   | 4,800                                       | 6.82  |
| South Carolina..... | 5,000                                       | 5.61  |
| South Dakota.....   | 4,800                                       | 3.64  |
| Tennessee.....      | 5,200                                       | 6.60  |
| Texas.....          | 6,800                                       | 7.22  |
| Utah.....           | 4,800                                       | 5.40  |
| Vermont.....        | 4,800                                       | 5.88  |
| Virginia.....       | 5,400                                       | 6.94  |
| Washington.....     | 5,200                                       | 8.73  |
| West Virginia.....  | 4,800                                       | 5.65  |
| Wisconsin.....      | 5,400                                       | 8.60  |
| Wyoming.....        | 4,800                                       | 3.14  |

Mr. DOLE. The rate formula in this legislation would permit a Senator to use for a mobile office the sum derived by multiplying the highest GSA office rental rate in his State by the amount of office space authorized that is unused for his stationary offices. In this manner, each Senator would be able to use his office space authorization either for stationary offices or for mobile offices or for both, according to the particular needs of his State and constituents.

I believe this bill offers a substantial possibility for improving contact between constituents and their Senators. It is my hope that we can include this legislation in the next supplemental appropriation bill.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 699

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of paragraph 3 under the heading "ADMINISTRATIVE PROVISIONS" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975 (Public Law 93-371) is amended to read as follows:*

"(a) The Sergeant at Arms of the Senate shall secure for each Senator office space suitable for the Senator's official use in places designated by the Senator in the State he represents, except that each Senator is authorized to have one or more mobile offices.

That space (except for mobile offices) shall be secured in post offices or other Federal buildings at such places, and, in the event suitable office space is not available in post offices or other Federal buildings, the Sergeant at Arms shall secure other office space in those places. The Sergeant at Arms shall secure mobile offices, for each Senator who chooses one or more mobile offices, pursuant to arrangements therefor made by that Senator."

(b) Subsection (c) of such paragraph is amended—

(1) by striking out "office secured" and inserting in lieu thereof "office (other than a mobile office) secured"; and

(2) by adding at the end thereof the following: "The maximum annual rental that may be paid for all mobile offices secured for a Senator shall not at any time exceed an amount determined by multiplying (A) the highest applicable rate per square foot charged Federal agencies by the Administrator of General Services in the State which that Senator represents, based upon a 100 percent building quality rating, by (B) the maximum aggregate square feet of office space to which that Senator is entitled under subsection (b) reduced by the number of square feet contained in offices (other than mobile offices) secured for that Senator under subsection (a) and used by that Senator and his employees to perform their duties."

(c) Subsection (d) (2) of such paragraph is amended by inserting after "provisions of" the following: "the first sentence of".

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that a bill introduced earlier today by the distinguished Senator from Kansas (Mr. DOLE), for himself and others, be referred jointly to the Committee on Appropriations and the Committee on Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND:

S. 700. A bill to amend the Agricultural Adjustment Act of 1938, as amended. Referred to the Committee on Agriculture and Forestry.

Mr. THURMOND. Mr. President, I am today introducing legislation to amend the Agricultural Adjustment Act of 1938, as amended, to allow the leasing of type 13 tobacco allotments or quotas across county lines within the same State.

Recognizing that all of the tobacco belts may not favor leasing allotments across county lines, I have intentionally restricted this bill to Flue-cured type 13 tobacco, which is grown in South Carolina and southeastern North Carolina. A precedent for this type of limited change was established in 1971 with the enactment of Public Law 92-144. This amendment to the Agricultural Adjustment Act of 1938 allowed leasing of tobacco allotments across county lines in the case of Virginia Fire-cured type 21 tobacco and Virginia Sun-cured type 37 tobacco.

It now appears that South Carolina tobacco growers desire similar freedoms in tobacco leasing arrangements. Both the South Carolina Grange and the South Carolina Farm Bureau, two of our most prominent and respected farm organizations, are on record in favor of such a change.

Changes in the quota leasing provisions of the tobacco program have been discussed by persons in the tobacco industry on numerous occasions in the past.

In 1973, the act was amended to allow the lease of allotments or quotas across county lines from certain counties in Georgia and South Carolina which had suffered at least a 30-percent loss in the number of acres planted to tobacco due to natural disaster. This modification in the tobacco program was done on a 1-year, emergency basis and applied only to eight counties in Georgia and four in South Carolina. In retrospect, most of those who were affected by this emergency change in the tobacco program agreed that it had worked well.

In the opinion of many knowledgeable persons associated with the tobacco industry, including tobacco farmers, it would well serve the industry to allow allotments or quotas to be leased across county lines within the same State whenever the farmers may desire. Restricting the present program to county lines throughout the tobacco belts is somewhat arbitrary and unfairly penalizes counties which are more naturally suited to tobacco production. For instance, it is my understanding that farmers in several of the key tobacco-growing counties in South Carolina have already leased all the available poundage quotas within their respective counties. At the same time, considerable poundage is available for lease in adjacent or nearby counties and will likely go unused under the restrictions of the present law.

The past several years have seen a considerable expansion in the foreign demand for American tobacco, a healthy trend for the industry and the National economy. In response to the increased demand for our tobacco, the Secretary of Agriculture announced a 10-percent increase in the national marketing quota for the 1973 crop, another 10 percent for the 1974 crop, and a 15-percent increase for the 1975 crop. Granted, there are those of us who have questioned the wisdom of the Secretary's actions in this respect. However, it seems abundantly clear that many of our progressive tobacco farmers are adapting to changing marketing conditions and desire to grow more of this commodity to satisfy expanding world demand. Unfortunately, many of these farmers are unfairly constrained by the present leasing requirements.

I am convinced that allowing the leasing of tobacco allotments or quotas across county lines would generally benefit tobacco farmers. Certainly it would aid the progressive farmers in good tobacco-growing areas who wish to expand production. Of great importance, it would also aid most small farmers and retired landowners who desire to rent out part or all of their tobacco allotments. If this change were enacted, most of these small farmers would benefit because the lease value of their allotments would increase. There would be a greater number of farmers bidding for their poundage quota, and, consequently, its market value would be greater. While this may not be the case for all farmers who desire to lease their allotment, on balance, the change would be generally beneficial.

Mr. President, I have always been a strong supporter of the tobacco program. I very much desire that the program be

continued substantially in its present form, because it has benefited the tobacco industry and aided our tobacco farmers. However, we must continue to look for ways to improve the program in the face of changing market conditions and the modernization of agriculture. I feel that allowing the leasing of allotments or quotas across county lines is a much-needed step in the right direction.

Mr. President, at this point I ask unanimous consent that the bill be printed in the RECORD and referred to the appropriate committee for prompt consideration.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 700

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is further amended by striking the period at the end of subsection (a) of section 316 and adding in lieu thereof the following: "Provided, That in the case of type 13 tobacco, any such lease may be made to a farm in another county in the same State where the same type of tobacco is produced."*

By Mr. STEVENSON (for himself and Mr. MAGNUSON):

S. 701. A bill to regulate commerce and promote the general welfare by assuring increased supplies of natural gas, oil, and other energy sources at reasonable prices for the consumer, and for other purposes. Referred to the Committee on Commerce.

#### CONSUMER ENERGY ACT OF 1975

Mr. STEVENSON. Mr. President, I am introducing today the Consumer Energy Act of 1975. This act is aimed at bringing about reasonable prices for crude oil and natural gas, increased supplies of oil and natural gas, and more competition in the energy industry. Additionally, it would create a National Energy Supply Corporation to negotiate for the United States in the world energy market, develop public oil and gas resources in the United States, and maintain strategic reserves.

The cost of energy to the Nation's consumers was \$30 billion in 1972, rose to \$65 billion in 1974 and threatens to go beyond \$80 billion this year. The rate of inflation climbed to 12 percent last year. In the last quarter of 1974, gross national product declined at an annual rate of more than 9 percent. These losses represent \$150 billion less in the pockets of the Nation's consumers.

These devastating blows to the national economy did not occur simultaneously by coincidence. The primary cause of inflation, unemployment, and recession is the high cost of energy.

Energy prices ripple out through the economy to inflate the price of every product and service. In 1974, \$35 billion in raw energy price increases rippled out to cost American consumers as much as \$100 billion in lost purchasing power.

The Organization of Petroleum Exporting Countries posted increases in energy prices of 500 percent last year—increases that have driven the industrialized West to the brink of economic peril. To the extent that they are not

controlled, the costs of domestic oil, gas, and coal rise to the OPEC levels. Reserves shift from consuming to producing nations; \$250 to \$350 billion will accumulate in the OPEC nations by 1980. Similar transfers take place internally between the consumers and producers of energy. Drained of liquidity, some countries are teetering on the edge of bankruptcy. So are many U.S. businesses. We are experiencing the most sudden shift of great wealth and power in history.

The Nixon administration ignored the warning signs in the fall of 1973. It deregulated the price of "new" oil and raised the price of old oil to \$5.25 in December 1973. It told us that these price increases would have a minimal effect on the economy. And it predicted a 5- to 7-percent rate of inflation for 1974.

The administration was wrong. As energy price increases rippled out through the economy, consumers found themselves with less discretionary income; more and more income was required for such basic necessities as food, fuel, and shelter. Less was then available for other sectors. Inflation, largely triggered by energy price increases, thus caused recession.

The administration is still wrong. The President proposes to deregulate the prices of domestic natural gas and "old" oil, causing them to rise to OPEC levels, and then to levy a \$3-per-barrel import tariff and a 37-cent excise tax per thousand cubic feet on natural gas. Taken together, these measures would result in further increases in basic energy costs of at least \$50 billion a year—\$10 to \$15 billion more than the increase caused by the past year's price increases. Annual living costs for an average family could rise by over \$800—far more than they would be reduced by the President's proposed tax reduction for individuals.

The purpose of the administration's proposals is to reduce energy consumption, but it is by no means clear that they will do so. Increases in the cost of gasoline of at least 30 cents a gallon would be required to bring about significant conservation. The President's proposals call for a 12-cent increase in gasoline prices. But the oil companies could pass the cost increases on to the fuels for which demand is most inelastic—fuel oil, for example—and keep the cost down where demand has some elasticity, as in the case of gasoline.

The President's proposals would plainly lead to more inflation and recession—and probably not achieve their purpose of decreasing energy consumption significantly. To the extent they did so, it would be at the expense of the poor.

A more certain short-run course would reimpose quotas on oil imports, phasing them up from an initial cut of 500,000 barrels a day. Such phased-in quotas would allow time to study their consequences. The burden of resulting shortages would be spread equitably through an allocation program. A standby program of rationing would be available if the shortages could not be handled adequately through allocations. Conservation would be mandated, as by requiring increased automobile efficiency and heating efficiency for buildings. Legislation which has already been introduced or is

in preparation, and which I am cosponsoring, would do all of this. But we need to do more. That is why I am proposing the Consumer Energy Act.

Mr. President, I ask unanimous consent that a summary of the provisions of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### SUMMARY OF THE PROVISIONS OF THE CONSUMER ENERGY ACT OF 1975

##### I. ESTABLISHMENT OF A NATIONAL ENERGY SUPPLY CORPORATION

Title I would create a National Energy Supply Corporation. Its functions would include:

Negotiations with foreign governments for the purchase of crude oil at reasonable and stable prices:

The United States and other consuming nations are at the mercy of the Organization of Petroleum Exporting Countries (OPEC), which has increased the price of crude oil by 500 percent in the past year and may raise the price still further to offset the impact of the \$3-per-barrel import tax ordered by President Ford.

Our economic power is equal to that of the OPEC nations, but it is not being used. The 1974 Amendments to the Export Administration Act gave the President the bargaining power he needs to counter foreign embargoes or unreasonable price increases on such vital commodities as oil.

Backed by the President's new bargaining power, the National Energy Supply Corporation would negotiate, in concert with other consuming nations, for the purchase of foreign oil and/or production facilities.

Exploration of oil and gas resources in the public domain:

The Corporation would explore and inventory oil and gas resources on public lands, offshore and onshore, to determine whether these resources are of sufficient value to justify the environmental risks that would be involved in their development, and to assure that the government receives a fair return on leases granted to private oil companies for the development of publicly owned resources. State and local governments could contract with the Corporation for geological and environmental studies to determine the feasibility and advisability of leasing.

Production of public resources for the benefit of the public:

The Corporation could produce crude oil and natural gas on public lands. In addition to assuring independent refiners and municipal gas distributors a source of supply, this activity by the Corporation would provide a yardstick for oil and gas production costs—a standard against which the performance of the major oil companies could be measured for the determination of reasonable wellhead prices.

By assuring the availability of supplies for independent refiners, the Corporation would prevent the major oil companies from eliminating the little competition that remains, and thus promote the restoration of competition in the oil industry.

##### Maintenance of strategic reserves:

The Corporation would maintain the strategic reserves required by the International Energy Agreement. In addition to assuring supplies in the event of a national emergency, the maintenance of adequate reserves would strengthen the nation's bargaining position in negotiations with foreign governments for the purchase of oil.

The Corporation could also operate the Naval Petroleum Reserves.

##### Development of synthetic resources:

The Corporation could help develop high risk synthetic processes for converting shale, tar sands and coal to oil and gas products,

thus making unnecessary costly additional subsidies for the major oil companies.

Assurance of adequate refining capacity:

In the absence of sufficient domestic refining capacity, the Corporation could operate its own refineries. In addition to refining crude oil produced from public lands, the Corporation would assure independent producers a market for their crude.

## II. ROLLBACK IN OIL PRICES

Title II would establish domestic oil prices at levels well below OPEC prices.

President Ford has denounced the Arab nations for increasing the price of their crude. Yet his own proposals for decontrol and increased taxes would permit the price of domestic oil to rise to the OPEC level, and may lead to a further increase in OPEC prices.

About 85 percent of present U.S. energy requirements are met by domestic supplies of oil, gas and coal. In the absence of controls, domestic energy prices will rise to the international levels. For example, the President's proposal to decontrol the price of "old" oil, which constitutes 60 percent of all domestic oil production, together with his proposed \$3-per-barrel import tax—would increase the cost of crude oil needed for domestic use by an estimated \$30 billion.

Under the Consumer Energy Act of 1975, the price of "old" oil would be frozen at the current level of \$5.25 per barrel and the price of "new" oil, which is not now controlled, would be rolled back to 70 percent of the world price as of January 1, 1975.

These rollbacks would reduce current oil costs in this country by \$4 billion. The reduced costs of crude would result in the reduction of prices for refined products, thus providing direct consumer relief and reducing windfall profits for the major oil companies.

## III. A NEW APPROACH TO NATURAL GAS PRICING

Natural gas provides one-third of the nation's energy. This winter's natural gas shortages may exceed the anticipated 14 percent shortfall.

The present average cost of natural gas sold in interstate commerce is about 29 cents per thousand cubic feet. Some increase in present price levels is necessary to encourage new exploration and production.

But price increases can go only so far toward guaranteeing increased supplies. President Ford's Project Independence Report maintains that an increase to about 60 cents per thousand cubic feet will stimulate greater supplies of natural gas, but acknowledges that increases beyond that level will produce no significant increase in supply. Yet deregulation of the wellhead price of natural gas, as proposed by the Administration, would cause the price to rise to about \$2 per thousand cubic feet—seven times its present average price. Such an increase would not assure a significant increase in natural gas supplies; it would assure more inflation and a deeper recession.

The Consumer Energy Act of 1975 would create a new framework for the regulation of natural gas prices. It would establish procedures designed to balance the need for increased producer incentives against the need for consumer protection.

Current Federal Power Commission procedures for the pricing of natural gas require lengthy proceedings which, during a time of generally rising costs, tend to cause artificially lower prices and thus discourage new exploration. The lengthy proceedings also cause serious uncertainty for potential investors.

Short-term emergency procedures adopted by the FPC made a bad situation worse. They promise higher prices but provide no certainty about how long they will last. All these forces—time-consuming pricing procedures,

the new short-term procedures and Administration-supported efforts to deregulate prices—have induced producers to withhold natural gas in anticipation of higher prices.

The Consumer Energy Act would provide one certain, timely price for all new natural gas discoveries. Within six months of the passage of the Act, and every five years thereafter, the Federal Power Commission would be authorized to establish and post national area rates based on both current and prospective costs plus a reasonable rate of return to investors. Between these five-year intervals, annual price increases would be keyed to the rate of inflation.

The first five-year rate to be set by the Commission would, by law, fall within a range of 40 to 60 cents.

The price of flowing natural gas as opposed to "new" gas would be frozen at current levels and the lower-cost gas would be allocated to residential and small commercial users.

Other provisions of Title III are aimed at assuring increased supplies of natural gas:

Each federal lessee would be required to develop maximum production levels within the shortest feasible time. Failure of any producers to begin delivering natural gas within two years from the time of discovery in accordance with a development plan would result in forfeiture of the lease.

In the unregulated intrastate market, natural gas is selling for as high as \$2.40 per thousand cubic feet. This differential not only causes inflated prices, but intensifies shortages by diverting gas from interstate markets. The Act would extend the reformed FPC pricing jurisdiction to all natural gas production.

Since natural gas is a premium fuel, its wasteful use under boilers would be prohibited in all new industrial plants and phased out of existing ones over a reasonable period of time. Finally, the Act would provide a natural gas priority for manufacturers of fertilizer and other agricultural users and emergency allocations when public health and safety are endangered by shortages.

## IV. PIPELINE REGULATION

Title IV of the Consumer Energy Act would guarantee fair access to petroleum pipelines by all members of the petroleum industry.

In theory, the nation's petroleum pipelines are common carriers, equally available to all users. In fact, they are the private preserve of the major oil companies. For the most part, the pipelines are owned by a few of the largest companies. The major oil companies' control over the pipelines has enabled them to divide up markets and raise prices. The integrated oil companies transfer oil through pipelines they control to refineries they control to their own marketers, who in turn sell to the consumer. There is in this chain no real competition; the major oil companies do business, for all practical purposes, with themselves—often stifling competition by excluding independent producers and refiners.

The Interstate Commerce Commission is not enforcing its mandate to treat petroleum pipelines as common carriers.

Title IV would transfer jurisdiction over pipelines from the Interstate Commerce Commission to the Federal Power Commission. It would make these pipelines common carriers in fact as well as in name by granting the Federal Power Commission explicit authority to compel pipeline hook-ups, approve the route of new pipelines, and require the construction of storage facilities for shippers who meet minimum tender requirements.

## ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 130

At the request of Mr. STEVENS, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of the bill (S. 130) to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal and other States.

S. 284

At the request of Mr. HUMPHREY, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of the bill (S. 284) to provide price support for milk at 90 percent of parity and for other purposes.

S. 445

At the request of Mr. HUGH SCOTT, the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Tennessee (Mr. BROCK), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of the bill (S. 445) to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs.

S. 474

At the request of Mr. HOLLINGS, the Senator from Maryland (Mr. BEALL), the Senator from Tennessee (Mr. BROCK), the Senator from North Dakota (Mr. BURDICK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. GARY W. HART), the Senator from North Carolina (Mr. HELMS), the Senator from Hawaii (Mr. INOUE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Wisconsin (Mr. PROXMIER), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from South Carolina (Mr. THURMOND), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of the bill (S. 474) relating to changes in status as a result of their service in services who are in a missing-in-action status as a result of their service in Indochina.

S. 566

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of the bill (S. 566) to provide authority for the District of Columbia to place two statues in Statuary Hall of the Capitol.

S. 672

At the request of Mr. HUMPHREY, the Senator from Tennessee (Mr. BROCK) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of the bill (S. 672) to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States.

## SENATE RESOLUTION 31

At the request of Mr. SCHWEIKER, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of the resolution (S. Res. 31) to establish January 22 as Ukrainian Independence Day.

## SENATE CONCURRENT RESOLUTION 5

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of the concurrent resolution (S. Con. Res. 5) to urge the President to establish a Council on the Missing in Action.

## SENATE CONCURRENT RESOLUTION 10

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of the concurrent resolution (S. Con. Res. 10) to provide for the selection of members of minority groups who have made significant contributions to the United States, and to obtain their likenesses for placement in the Capitol.

## AMENDMENTS SUBMITTED FOR PRINTING

## INCREASING IN LIMITATION ON NATIONAL DEBT—H.R. 2634

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself and Mr. STONE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 2634) to increase the temporary debt limitation and to extend such temporary limitation until June 30, 1975.

## ADDITIONAL COSPONSORS OF AN AMENDMENT

## AMENDMENT NO. 9

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from Maryland (Mr. MATHIAS) be added as a cosponsor of amendment No. 9, which I submitted on February 11, 1975, to the bill (H.R. 1767), to suspend the President's import tariffs on petroleum and petroleum products for 90 days. This amendment attempts to prevent the confrontation now developing between the President and the Congress by providing an interim alternative that I believe could be acceptable to all. It would allow the President to impose import fees on gasoline and crude oil refined into gasoline but prohibit the imposition of tariffs on any other petroleum imports for 60 days. I hope that others will give serious consideration to this compromise to provide an atmosphere of cooperation while the long-term solutions to these difficult energy problems are worked out.

## NOTICE OF HEARINGS ON S. 200, CONSUMER PROTECTION LEGISLATION

Mr. RIBICOFF. Mr. President, the Committee on Government Operations will hold hearings on S. 200, the Consumer Protection Act of 1975. This legislation would establish an independent nonregulatory Agency for Consumer Advocacy to speak for the interests of consumers. The hearings will be held beginning at 10 a.m., Thursday, February 20, in room 3302, Dirksen Senate Office Building. They will continue again on Monday, February 24, at 10 a.m. in the same room.

## NOTICE OF HEARINGS ON WAGE-PRICE STABILIZATION

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing and Urban Affairs will hold hearings on S. 409, a bill to amend legislation dealing with the Council on Wage Price Stability at 10 a.m., on March 6 and 7, in room 5302, Dirksen Senate Office Building.

All persons wishing to testify should contact Mr. Robert Weintraub, room 5300, Dirksen Senate Office Building; telephone 224-7391.

## ANNOUNCEMENT OF GAO BRIEFINGS ON ENERGY, FOOD, AND MATERIAL SHORTAGES

Mr. RIBICOFF. Mr. President, I am pleased to announce that the staff of the General Accounting Office will be briefing members of the Government Operations Committee, their staff, and other interested persons on a review of the work that the GAO has done and what it will be doing in the areas of energy, food, and material shortages. The briefing on energy will be held at 10 a.m. in room 3302, Dirksen Senate Office Building, on Wednesday, February 19. The briefing on food and material shortages will be held at 10 a.m. in room 3302, Dirksen Senate Office Building, the following Wednesday, February 26. All interested persons are invited to attend.

## ADDITIONAL STATEMENTS

## THE WYMAN-DURKIN ELECTION

Mr. HUGH SCOTT. Mr. President, at the request of the Senator from Ohio (Mr. TAFT) I ask unanimous consent that his statement regarding our protracted debate on the Wyman-Durkin election be printed in the RECORD. Mr. TAFT's statement tells the story.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## STATEMENT BY SENATOR TAFT

I am told there is an old West Virginia saying to the effect that—"Even honest men arouse suspicion when they stoop to tie their shoe laces in a melon patch." The Actions taken recently in this body rejecting the seating of Louis Wyman as a Senator from New Hampshire certainly confirm the wisdom of this saying. The Democratic Party majority could not resist the temptation of exercising their voting margin in a blind partisan manner. Not only was Senate precedent disregarded in that Mr. Wyman was refused to be seated even on an interim basis, but the majority of this Body voted that the Rules Committee, not the people of New Hampshire, can best determine who shall represent those people.

Article I, section 4 of the Constitution authorizing States to conduct elections and the mandate of the 17th amendment for citizens of the respective States to elect their Senators evidently are no longer applicable in the eyes of the majority. A new election procedure has been developed notwithstanding the Constitution. This new unwritten rule provides that any candidate, uncertified by the State, who loses a close election and is a member of the political party in control of this Body only need appeal. The Senate, through the Rules Committee, will permit

the individual to select which votes he or she wishes to have examined and after such a review perhaps even by a "blue ribbon commission," the agony of defeat can be transformed into the ecstasy of victory.

A few well-placed editorials in "prominent" newspapers and media outlets to rationalize to the country that this procedure is sound can be included in the legislative history of this new procedure.

An important provision, undoubtedly in fine print, must be stressed at all times in implementing this new procedure, however, avoid a mandate of the electorate, never permit citizens an opportunity to vote because such an option would permit certain victory to be jeopardized by possible defeat. To quote an editorial on this question in the "Washington Post" recently, "... a new election at this point would be the worst possible step."

The logic of such reasoning is incredible. One would think that after the debacle of Watergate and the stench it left in the political climate of this country, the game of "politics as usual" would no longer be with us. Evidently that is not the case with regard to the Democratic party majority in the United States Senate.

Louis Wyman has been declared the winner by the election officials of the State of New Hampshire after two very thorough recounts, the last of which staff of the Senate Subcommittee on Privileges and Elections carefully observed. John Durkin, the Democratic Party candidate not only lost at the polls, he also lost in court as a special three-judge Federal district court unanimously rejected each one of his arguments regarding the constitutionality of New Hampshire State election appeal procedures.

Some of my colleagues on the other side of the aisle will undoubtedly argue that the old West Virginia saying I quoted is equally applicable to New Hampshire Republican officials and that the Article I, section 5 constitutional authority of the Senate should be exercised to also take away their temptations on this issue.

I agree that under the Constitution this body has technical authority to review the New Hampshire election, but I would hasten to add that I do not believe that this is an absolute right of the Senate unchecked by any other constitutional provision. Mr. Wyman's right to due process of law under the Fifth Amendment cannot be ignored. Even the rules and actions of the Senate can, if arbitrarily and capriciously invoked, overstep the protection of the separation of powers doctrine. As I have stated previously, the legislative branch has already suffered considerable legal setback in this area.

A case in point is *Powell v. McCormack*, 395 U.S. 488 (1969) in which the Supreme Court upheld former Congressman Adam Clayton Powell's action against the U.S. House of Representatives finding he was improperly excluded from being seated. Recently in *Consumer's Union of the United States v. Periodical Correspondents' Association*, 365 F. 2d 18 (1973), the power of the Congress to set rules under Article I, section 5, was abridged in a suit asserting the First Amendment rights of Consumers' Union to obtain accreditation to the press galleries of the Senate and House. I do not necessarily agree with every aspect of this latter decision, but only point it and *Powell* case out to stress the potential harmful legal precedent that can be established with regard to the Senate as an institution if Mr. Wyman is not rendered due process of law.

There has not been any proof of election fraud or misconduct on the part of New Hampshire officials to warrant the implementation of the Article I, section 5, authority of the Senate to the extent contemplated by the majority. If there is substantial doubt on

the part of the Rules Committee and the Senate regarding the actual victor in last November's election, let the citizens of New Hampshire decide. Such a procedure for a special election is now available by statute in New Hampshire. Mr. Wyman to his credit is willing to decide this question that way. Certainly, Mr. Durkin, a candidate representing a political party that traditionally claims itself as the party of the people, should not lack the confidence to proceed in this manner.

Lest I be unfair, however, perhaps I should not identify Mr. Durkin and the Democratic Party as the party of the "people" since the new Democratic Party appears to be the party of the caucus and the quota—in this case a quota of Democratic Party members being imposed on the U.S. Senate. I look forward with great expectation as to how this type of platform is received not only by the people of New Hampshire beginning with the presidential primary in their State next year, but to the reaction of the country as a whole. I have a feeling that "democracy by special committee" will be rejected.

#### THE RIGHT OF THE PEOPLE TO ELECT THEIR PRESIDENT AND VICE PRESIDENT MUST BE AFFIRMED

Mr. HUMPHREY. Mr. President, I have joined my distinguished colleague, the Senator from Rhode Island (Mr. PASTORE) in sponsoring Senate Joint Resolution 26, a joint resolution proposing a modification of the 25th amendment to the U.S. Constitution.

I believe this legislation—to provide for a special election for the Office of President and Vice President when an individual who has been appointed Vice President under the 25th amendment succeeds to the Presidency—is a much needed and timely measure. It warrants bipartisan support. Enactment of this resolution will correct a serious constitutional flaw, to insure that the ultimate goal of our Nation's democratic process—representation of the people—will be met.

It could be said that the 25th amendment to the Constitution as it now stands is entirely adequate. People who will argue this, point to Mr. Ford and Mr. ROCKEFELLER and state that it works, that responsible men are brought into office upon confirmation by a majority vote of both Houses of Congress, under the 25th amendment. I do agree, good men are selected.

However, this reasoning does not address the basic requirement of democratic government. The foundation of American Government is representation of the people.

The 25th amendment calls for the President to appoint a Vice President, should that office become vacant, for confirmation by Congress. If the President cannot complete his term, the appointed Vice President becomes President. The result is that neither this President, nor the Vice President whom he subsequently appoints and Congress confirms, is in office as a result of a popular election.

Although this is a workable procedure as demonstrated by recent events, I believe that it can be improved. The people must be able to exercise their constitutional right to choose the President

and the Vice President, if the incumbents of these high offices are unable to fulfill their elected term 12 months or more before the next general election.

Mr. President, this resolution allows the 25th amendment to continue to operate and fits within the present electoral system. I strongly believe this measure should be acted upon by Congress without delay. The effective exercise of the franchise by our citizens is of absolutely crucial importance in assuring the strength of American democracy. The trust and confidence of the people in their Government begins at the ballot box where they are given a direct voice in the choice of their national leadership. Government by proxy—where the electorate is dependent upon the judgment of its representatives in the selection of a President and Vice President—is a serious, weak point in our democratic system that must be corrected with all possible speed.

#### PROPOSED AMENDMENT OF RULE XXII

Mr. MONDALE. Mr. President, on Thursday, February 20, 1975, the Senate will resume consideration of Senate Resolution 4. Senate Resolution 4 seeks to amend rule XXII of the Standing Rules of the Senate to provide for limitation of debate upon the vote of three-fifths—rather than the current two-thirds—of those Senators present and voting.

This important resolution is cosponsored by 44 Members of this body. Many of these cosponsors, as well as Senators who support the resolution but have not cosponsored it, have risen on the floor of the Senate over the past several days to address the need for this change in Senate procedure and to warn of what might happen to the legislative capabilities of the U.S. Senate if the resolution is not adopted.

Many Senators, including myself, will have more to say about this matter when its consideration resumes in a few days. Today, Mr. President, I wish to add the thoughtful opinion of the Brainerd Daily Dispatch of Brainerd, Minn., to this discussion.

In an editorial on January 31, 1975, the Daily Dispatch asks the Senate to "replace a rule that is archaic and hinders the orderly flow of Government business." I sincerely hope that, when this matter comes to a vote, my colleagues will answer this call.

So that my colleagues may share with me the comments of the Daily Dispatch on this important matter, I ask unanimous consent that the editorial entitled "The Proof," from the Brainerd Daily Dispatch of Friday, January 31, 1975, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Brainerd (Minn.) Daily Dispatch, Jan. 13, 1975]

#### THE PROOF

A leading practitioner of the Senate filibuster is simultaneously threatening to talk to death a rule change that would weaken this legislative tactic, and at the same time is proving the need for change.

Senator James Allen is threatening a proposal advanced by Senators Walter Mondale, D-Minn., and James B. Pearson, R-Kan., which would allow a filibuster to be stopped by a three-fifths majority of those voting instead of the present two-thirds. The rule change is expected to come to the Senate floor soon and Allen is expected to launch a filibuster against it.

Pearson agrees with Allen that debate has halted "hasty or ill-conceived action which could have wrought much mischief."

But Pearson says the Senate could more fairly operate by "striking a better balance between the right to debate and the right to vote."

If the Pearson-Mondale proposal had been in effect last year, legislation to create a consumer protection agency probably would have come to a final Senate vote and been passed. Allen readily concedes that, but his filibuster killed the bill.

As a parliamentary tactic, the filibuster is supposed to be a nonstop talking session designed to keep the Senate from voting on a bill.

In the not too distant past, Senators would talk for hours, eating candy bars for nourishment and reciting books just to keep talking.

But now the Senate practices a less verbose version.

A member need not actually talk for hours on end. Instead, he merely threatens to, gives his colleagues a sample of what he means, and objects to a vote on the bill. The Senate then goes on to other business and the matter may be left hanging for weeks.

Some say the filibuster's longevity has been threatened since 1959 when the rules were changed to impose cloture through a two-thirds majority of those voting instead of all 100 Members. That step stripped the device of some of its airs of invulnerability.

Ninety-six attempts to choke off filibusters have been made since 1917. Twenty-one have succeeded, seven of them in 1974 alone.

Allen has been successful in his filibusters by drawing support against cloture from fellow Southern Democrats and conservative Republicans. He's counting on them to defeat the antifilibuster rule.

The Democrats have made some significant changes in the Congress this session by removing some old, entrenched committee chairmen and replacing them with what we hope will be more enlightened leadership.

We would hope that they would continue this effort and replace a rule that is archaic and hinders the orderly flow of government business.

#### FARM ESTATE TAX RELIEF

Mr. DOLE. Mr. President, last week I introduced legislation to modify the Federal estate tax procedures to grant some relief to those farm families and other land owners who wish to maintain their estates for farming, open space or preservation of historic places.

As our population increases, there is a rapidly expanding need to maintain our farm land base for production of food. Expansion of our urban areas makes serious inroads into this farm land base every year, and it is only because of our increasing efficiency and technology that we have been able to meet expanding agricultural needs with a diminishing base. We cannot continue this way indefinitely. We must take steps to slow, if not reverse, this process of urban development of farm land to be able to meet our future food production needs.

There is also another important reason to preserve our farm land base. It is the same reason we need to preserve and

even create open space for scenic and outdoor recreational pursuits, and to preserve our national historic places. Again, there is an important link with the cities and urban areas. As the pressures of urbanization exert more and more influence on our daily lives, we need opportunities to retreat to the open spaces of farm and scenic areas to recreate and to commune with nature and reestablish or fortify our sense of values.

The unfortunate facts, however, are that it is becoming increasingly difficult to reach or even find open or natural spaces near our urban areas. Land values near these areas become prohibitively high based on their potential for development. When a farm or other "real property" estate in such an area passes by inheritance into new ownership, the Federal estate tax regulations require the estate tax to be imposed on the "market value" of the property.

In many instances, the new owners of these lands—usually the family of the decedent—who wish to continue to manage the land are instead forced to sell at least a portion of it to pay the estate tax. When the selling price has included development potential, the new owner must develop the land to realize his investment. Those forced sales then result in either development of the land, or at best a reduction of the size of the unit. Eventually such reductions result in uneconomic units which then must be sacrificed to development.

At a time when larger, more efficient farms are appropriate, these reductions in farm acreages are detrimental to our agricultural economy as well as in conflict with our need for open space and scenic and recreation lands.

The legislation I have introduced will provide relief for farm families and other owners of scenic and open space lands and national historic places who are willing to continue the existing use of their lands. It provides a modified system of valuation whereby the property value will be determined by its value for the existing use. It also provides an exemption of the first \$200,000 in the value of the estate in the computation of the estate tax. This \$200,000 exemption is an increase from the presently authorized \$60,000 in recognition of the inflation which has occurred since passage of the original legislation in 1954 and earlier. This is an across-the-board exemption which will apply to all estates whether farm oriented or not and regardless of the type of property making up the estate. It seems only fair that all citizens should receive relief from the punitive impact of inflation operating through a fixed exemption in the estate tax law. While this is somewhat separate from our need and desire to maintain agricultural and open lands, the solution as far as the estate tax is concerned is the same.

There is, however, a problem of considerable magnitude involved in such an across-the-board change in the exemption. The Treasury Department has estimated that the cost of such legislation in terms of lost revenue could run as high as \$2.1 billion per year. It can be argued that this is only a small percent-

age of our total tax revenue; however, I have serious misgivings about such a cost at this particular point in time when we are faced with a massive budget deficit. Laudable as our objective is, and reasonable as it may be to "update" the standard exemption to keep pace with inflation, this is still a doubtful time to gain support for a measure which will further fuel the deficit inferno.

Therefore, I have also introduced a second bill, similar to the first, but which would grant the \$200,000 exemption only for real property which qualifies for the alternate system of evaluation relating to existing use.

This will still meet our objective of keeping land in agriculture and open space. It will be a major benefit to qualifying farmers and other rural land owners who have owned their property for 5 years and are willing to continue their existing use for an additional 5 years. The cost in terms of lost revenue is estimated to be \$300 million which would be less than 7 percent of the total estate taxes generated. Surely this is a small price to pay for continuance of the family farm on the American scene, and for maintenance of our farmland base, continued high agricultural production and protection of our open space, scenic, recreation and historic values.

An important feature of both of these bills is the inclusion of properties listed on the National Register of Historic Places to insure the continued maintenance of their historic values.

One of the safeguards in the bills which also serves as a rather powerful incentive is the requirement that, in order to qualify, property must have been devoted to the qualifying use for 5 years prior to the death of the owner, and continued to be committed to that use for 5 years following the granting of the special tax exemption. If this latter provision is violated, the forgiven taxes become effective.

This is eminently fair to both the owner, the general public and the local governmental jurisdictions charged with providing tax supported services and with long range land use planning and zoning. As can be readily seen, the 10 year period involved will act both to protect legitimate, serious farmers and land owners while discouraging speculators, hobbyists, and developers.

While my second bill does not benefit all estates, it does address the most pressing problem which is the case of the farmer or other rural property owner so burdened by the Federal estate tax as to be forced to dispose of property if some relief is not provided. The assets of these people are generally not liquid, and the imposition of a large estate tax simply cannot be met without liquidating assets or incurring unrealistic loans. If we must proceed in a two step fashion to completely resolve the inequities of the estate tax, it is appropriate that this group receive the first attention.

Our process to arrive at final, effective legislation quite properly involves revisions and amendments to original proposals on matters as important as this. Therefore, I have introduced both of these bills to provide some guidelines as

we move through the complex relationships involved with this issue.

Mr. President, I ask unanimous consent that both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

#### S. 678

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:*

#### "(c) ALTERNATE VALUATION OF CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value for the use under which it qualifies, under paragraph (2), as qualified real property.

"(2) DEFINITION OF QUALIFIED REAL PROPERTY.—For the purposes of this subsection, the term 'qualified real property' means rural real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been, devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland (including land used for the commercial production of trees and land publicly used for undeveloped scenic or outdoor recreational purposes),

"(C) open pastoral space, or

"(D) maintenance of historic values and is listed in the National Register of Historic Places, either separately or as part of a district so listed.

Such real property shall include residential buildings and related improvements occupied on a regular basis by the owner or lessee of such property or by persons employed by such owner or lessee for the purpose of operating or maintaining the real property and improvements described in this paragraph (2), and roads, buildings, and other structures and improvements functionally related to the uses listed in this paragraph (2).

"(3) ELECTION REQUIREMENTS.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person or persons to whom any interest in the property passes under the terms of the decedent's will or by operation of law.

"(4) DEFINITION OF OWNER.—For purposes of this subsection, the term 'owner' means those persons identified in paragraph (3).

"(5) REVOCATION OF ELECTION UPON CONVERSION, REZONING, OR REMOVAL FROM NATIONAL REGISTER.—The election made under this subsection shall be revoked upon the occurrence of any of the following events:

"(A) the conversion by the owner of the real property with respect to which the election provided in paragraph (1) was made, or any portion thereof, to a use other than one or more of the qualified uses described in paragraph (2); or

"(B) the rezoning of such property to permit a use other than one or more of the qualified uses described in paragraph (2), if such rezoning occurs at the request of the owner; or

"(C) if such property qualified for the election only pursuant to paragraph (2)(D), removal of such property from the National Register of Historic Places, or discontinuance of maintenance of the historic values.

"(6) RECAPTURE OF EXEMPTED TAXES.—Upon revocation of election as provided in paragraph (5), or upon sale or transfer of the

property if either event occurs within five years of the date on which the return for the tax imposed under this chapter was filed, the difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been payable on that transfer had the property not been valued under paragraph (1) shall be a deficiency in the payment of the tax assessed under this chapter on that estate. Such deficiency shall be a tax imposed on the owner of the property together with interest on such amount at 6 percent running from the filing date prescribed in section 6075 with respect to the return from the decedent's estate (taking into account any extension of time granted pursuant to law for the filing of the return).

"(7) DUTY TO FILE RETURN.—Prior to or upon the occurrence of an event described in paragraph (5) or a sale described in paragraph (6), the owner subject to the tax imposed by paragraph (6) shall file a return with respect to such tax. Such return shall be made within 30 days after the end of the calendar quarter in which the sale or event causing revocation of election occurs.

"(8) LIEN TO SECURE TAX.—If the executor of an estate makes the election provided by paragraph (1), there shall be a lien on the real property with respect to which such election was made in the amount of the tax saving realized by the estate by virtue of such election. Such lien shall be extinguished upon payment of all taxes which become due pursuant to paragraph (6) or at such time at which the possibility that any such taxes shall become due terminates, whichever time is later."

(b) Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2031(c) (relating to alternate valuation of certain real property), the value thereof as determined under such section for the applicable valuation date, including any increased value on which a tax is paid as required by paragraph (6) of that subsection."

#### SEC. 2. INDIVIDUAL EXEMPTION.—

(a) Section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "\$60,000" and inserting in lieu thereof "\$200,000".

(b) Sections 2106(a)(3)(A) and 2106(a)(3)(B) of the Internal Revenue Code of 1954 (relating to exemption for federal estate tax) are amended by striking out "\$30,000" and inserting in lieu thereof "\$100,000".

(c) Section 6018(a)(1) of the Internal Revenue Code of 1954 (relating to estate tax returns) is amended by striking out "\$60,000" and inserting in lieu thereof "\$200,000".

(d) Section 6108(a)(2) of the Internal Revenue Code of 1954 (relating to estate tax returns) is amended by striking out "\$30,000" and inserting in lieu thereof "\$100,000".

#### SEC. 3. APPLICABILITY OF AMENDMENTS.—

The amendments made by this Act shall apply with respect to decedents and the estates of decedents dying after the date of enactment of this Act.

S. 679

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:*

"(c) ALTERNATE VALUATION OF CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value for the use under

which it qualifies, under paragraph (2), as qualified real property.

"(2) DEFINITION OF QUALIFIED REAL PROPERTY.—For the purposes of this subsection, the term 'qualified real property' means rural real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been owned by the decedent and devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland (including land used for the commercial production of trees and land publicly used for undeveloped scenic or outdoor recreational purposes),

"(C) open pastoral space, or

"(D) maintenance of historic values and is listed in the National Register of Historic Places, either separately or as part of a district so listed.

Such real property shall include residential buildings and related improvements occupied on a regular basis by the owner or lessee of such property or by persons employed by such owner or lessee for the purpose of operating or maintaining the real property and improvements described in this paragraph (2), and roads, buildings, and other structures and improvements functionally related to the uses listed in this paragraph (2).

"(3) ELECTION REQUIREMENTS.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form content and manner as he may prescribe.

"(4) DEFINITION OF OWNER.—For purposes of this subsection, the term 'owner' means those persons identified in paragraph (3).

"(5) REVOCATION OF ELECTION UPON CONVERSION, REZONING, OR REMOVAL FROM NATIONAL REGISTER.—The election made under this subsection shall be revoked upon the occurrence of any of the following events:

"(A) the conversion by the owner of the real property with respect to which the election provided in paragraph (1) was made, or any portion thereof, to a use other than one or more of the qualified uses described in paragraph (2); or

"(B) the rezoning of such property to permit a use other than one or more of the qualified uses described in paragraph (2), if such rezoning occurs at the request of the owner; or

"(C) if such property qualified for the election only pursuant to paragraph (2)(D), removal of such property from the National Register of Historic Places, or discontinuance of maintenance of the historic values.

"(6) RECAPTURE OF EXEMPTED TAXES.—Upon revocation of election as provided in paragraph (5), or upon sale or transfer of the property if either event occurs within seven years of the date on which the return for the tax imposed under this chapter was filed, the difference between the tax actually paid under this chapter on the transfer of the estate and the tax which would have been payable on that transfer had the property not been valued under paragraph (1) shall be a deficiency in the payment of the tax assessed under this chapter on that estate. Such deficiency shall be a tax imposed on the owner of the property together with interest on such amount at 6 percent running from the filing date prescribed in section 6075 with respect to the return from the decedent's estate (taking into account any extension of time granted pursuant to law for the filing of the return).

"(7) DUTY TO FILE RETURN.—Prior to or upon the occurrence of an event described in paragraph (5) or a sale described in paragraph (6), the owner subject to the tax imposed by paragraph (6) shall file a return with respect to such tax. Such return shall be made within 30 days after the end of the calendar quarter in which the sale or event causing revocation of election occurs.

"(8) LIEN TO SECURE TAX.—If the executor of an estate makes the election provided by paragraph (1), there shall be a lien on the real property with respect to which such election was made in the amount of the tax saving realized by the estate by virtue of such election. Such lien shall be extinguished upon payment of all taxes which become due pursuant to paragraph (6) or at such time at which the possibility that any such taxes shall become due terminates, whichever time is later.

(b) Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2031(c) (relating to alternate valuation of certain real property), the value thereof as determined under such section for the applicable valuation date, including any increased value on which a tax is paid as required by paragraph (6) of that subsection."

#### SEC. 2. INDIVIDUAL EXEMPTION.—

(a) Section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by adding after "\$60,000", "or the value of property included in the election taken under section 2031(c) but not to exceed \$200,000."

(b) Sections 2106(a)(3)(A) and 2106(a)(3)(B) of the Internal Revenue Code of 1954 (relating to exemption for federal estate tax) are amended by striking out "\$30,000" and inserting in lieu thereof "\$100,000."

(c) Section 6018(a)(1) of the Internal Revenue Code of 1954 (relating to estate tax returns) is amended by adding after "\$60,000", "or \$200,000 in the event of an election under section 2031(c)".

(d) Section 6108(a)(2) of the Internal Revenue Code of 1954 (relating to estate tax returns) is amended by striking out "\$30,000" and inserting in lieu thereof "\$100,000".

#### SEC. 3. APPLICABILITY OF AMENDMENTS.—

The amendments made by this Act shall apply with respect to decedents and the estates of decedents dying after the date of enactment of this Act.

#### FREE PRESS PRECIOUS IN SEOUL

Mr. PROXMIRE, Mr. President, NBC Nightly News on February 8 carried a filmed report from Seoul, Korea, that demonstrated that the blessings of a free press are readily recognized when the press is enslaved.

NBC's Don Oliver reported that readers are inserting advertisements of support in an effort to counter a government-sponsored advertising boycott of the newspaper, Dong A Ilbo. The boycott was organized after reporters struck in demand that their paper print stories critical of the government.

To me, this story points up the inestimable value of our own first amendment, which guarantees a free press in the United States.

As Justice Potter Stewart has pointed out, the press is the only private enterprise mentioned in the Constitution. It is there to act as a critical check on government. The job of a free press is to watch out for injustices and usurpations on the part of the legislative, executive, and judicial branches of Government. The first amendment forbids the Congress from passing any law that might diminish the rights to freely exercise any religion, to speak freely, to peaceably assemble, to petition Government for redress of grievances and to have a free press.

Unfortunately, Congress has passed a

law that does abridge a free press. The executive and the judicial branches have supported that law.

The law is the Communications Act, which has diminished the rights of a part of the free press.

Unfortunately, not everyone recognizes that broadcasting is a part of the press.

If the obvious were recognized, there would be little argument; for, in general, the necessity of maintaining the freedom of the printed press has not been attacked.

Other means of mass communication have been able to hold fast their rights of a free press—newspapers, magazines, pamphlets, books, and, yes, motion pictures.

But not broadcasting.

That would be a serious omission even if broadcasting were as insignificant in the scheme of communications as a single grade school's mimeographed newspaper. But broadcasting—radio and television—is the most popular of the media of communications.

If a broadcaster in the United States turned critical of the Government, refused to permit a Government spokesman to defend the Government, and the Federal Communications Commission threatened to shut down his transmitter, would the citizens of that community come to the defense of the broadcaster?

I do not know the answer.

That is a hypothetical question. I am virtually certain that no broadcaster feels such a situation could develop in this country.

Yet, there are broadcasters who have complained about the fairness doctrine's restraint on them—the chilling effect of knowing that their newsmen cannot do their jobs with the same freedom that their counterparts in the newspaper business can. Broadcasters know that their lawyers are as important to them as their newsmen.

Newspaper editors need to consult their lawyers before printing a story only when a possible libel is involved. And newspaper editors do not need to involve their lawyers before a governmental agency in defense of the way they handled a story.

Broadcasters do.

That is not freedom as envisioned by the writers of the Bill of Rights.

Now, if it were only the broadcasters that were inconvenienced by FCC controls, I can assure you I would not be bothered.

But, it is the listeners and viewers whose rights are injured by governmental control of broadcasting. They are citizens. They are entitled to hear and see all viewpoints expressed on controversial subjects just as they can read all viewpoints on controversial issues of public importance.

But is not that what the fairness doctrine requires of broadcasters?

Yes, that is what the law says.

"The law." Those are the controlling words.

"Congress shall make no law . . . abridging . . . the free press," says the first amendment.

And why did the writers of the first amendment mandate the absence of law on the subject of a free press? Because

if a free press is to protect American citizens from the Government interfering with such basic rights as freedom of religion—to be secure in their houses—to enjoy a speedy and public trial—how can the free press do its job with the Government breathing down its neck with the passage of laws?

But, say those who endorse governmental control of broadcasters, broadcasting is different. Anyone can start a newspaper, they say, but there is room on the spectrum for a limited number of broadcasting channels.

On the surface, that argument has some appeal. But go beneath the surface, and it does not hold.

First of all, the allocation of the spectrum is not a fixed and immutable law of physics.

Without getting into the complexity of physics, suffice it to say that originally, 2,053 television channels were allotted to 1,291 U.S. communities. Later that was changed to 1,850 channels for 850 communities. At the end of 1974, a total 1,009 television stations were authorized and 921 were on the air, including 700 commercial stations and 221 educational stations.

On top of that, there were 8,064 authorized radio stations with 7,654 actually on the air, of which, 6,970 were commercial.

The number of daily newspapers totals somewhat more than 1,750.

A few suburban dailies have come into existence lately. But the number of competing, metropolitan dailies have been declining over the years. Just a few years ago, Washington, D.C., went from three to two competing papers, and it is no secret that one of those now is in financial difficulties. There are five commercial and two educational TV stations in Washington, D.C.

The point is this: Economics permits far more broadcasting stations than daily newspapers. And, technology would permit some 200 more television stations than existing daily newspapers.

Competition—economically and ideologically—is an absolute necessity if our free press is to work the way it was envisioned to work under our Constitution.

For American citizens to enjoy the benefits of that competition, they must have broadcasting stations with the same freedom as newspapers.

Under current law and current FCC regulations, our citizenry is being deprived of ideological competition among broadcasters.

But who would keep broadcasters in line?

Not the Government. That is not proper under our Constitution.

The listeners and viewers would.

The broadcaster who could not serve a large enough audience would lose his advertisers and go out of business. But given freedom, he could serve a particular audience. It might be relatively small, but he could make a go of it as do some magazines and journals serving particular publics.

Under current conditions, broadcasters must conform to Federal regulations that tend to force them into serving the same audience.

You do not believe that? Just ask the former owner of WXUR in Media, Pa. He is out of business now because of the fairness doctrine.

It is time that Americans reexamine governmental regulations of broadcasting in the context of the first amendment. That is why I introduced S. 2, the First Amendment Clarification Act of 1975.

A look at the situation in Seoul—while not exactly analogous—can show just how precious is a free press.

Mr. President, I ask unanimous consent to have printed in the RECORD the newscript of Don Oliver's report from Seoul.

There being no objection, the newscript was ordered to be printed in the RECORD, as follows:

#### NEWSPAPER BOYCOTT

It has been a long time since there was any real freedom of the press in South Korea. People have generally read what the government of President Park Chung Hee wants them to read. But a few months ago . . . in this newspaper office in Seoul . . . there was a revolt.

Young reporters and writers for Korea's largest newspaper—the Dong A Ilbo—organized a union and staged sitdown strikes. They demanded the paper print stories critical of the Park government.

The young reporters won . . . and the paper began giving front page play to anti-government stories. As the reporting got tougher . . . government threats and pressure mounted.

In late December the newspaper's biggest advertisers began to cancel their contracts. They gave no reasons.

It was obvious the government had put pressure on the big companies to cancel their advertising. The government controls business licenses and bank loans—things the big companies need to stay alive. Within two weeks, one hundred percent of the advertising was gone.

The newspaper refused to yield to the pressure and it began getting an outpouring of public support.

Students . . . priests . . . housewives filed into the advertising department daily to buy small and large advertisements—sympathy messages expressing support for the Dong A Ilbo's stand against the government.

Now, these sympathy messages are the only advertising in the paper. As many as 250 a day saying things like, "Stick to a Free Press" . . . "Be Brave" . . . "Viva to the reporters of the Dong A Ilbo. Every day police patrol outside the Newspaper offices . . . trying to intimidate citizens who want to place sympathy advertising. But the people still come and the paper has forbidden police to enter the building.

The advertising manager of the paper was held for two days by government agents because of a sympathy ad placed by an army officer. The manager refused to give them the soldier's name.

Since the advertisers boycott began, the circulation of the newspaper has gone from 700 to 800,000 a day . . . but advertising revenue is down 5 thousand dollars a day. It is a question now of how long the publisher can hold out before giving in to the government and firing the young reporters who are making a stand for freedom of the press at the Dong A Ilbo. Don Oliver, NBC News, Seoul, Korea.

#### OLDER AMERICANS AND THE ECONOMY

Mr. CLARK. Mr. President, shortly after President Ford announced his most recent economic plan to the Nation,

many families tallied up the pluses and minuses to find out the impact of his proposals on their budgets. For most Americans, the proposals would have a mixed effect—gaining disposable income from some proposals like the tax cut and losing income from others like the oil tariff. It still is not clear what the net effect of the proposals will be on each segment of the American economy. But there is one group of Americans, however, that is being asked to bear much more than a fair share of the economic burden under the President's proposals—the elderly, particularly the low income elderly. For them, there would be very few pluses to help their meager budgets.

Right now, many elderly people are malnourished, inadequately housed, and in need of medical attention because they cannot afford decent food, health care, and housing. One out of every six elderly individuals has an income below the poverty level, and many more can be classified as "near-poor." They simply do not have the means or the ability to combat inflation and fight recession, nor should they need to have them. What they do need is the consideration and help of Government.

The President's economic program provides neither. For example, the administration has proposed increasing the cost of medicare for older Americans. The Department of Agriculture wanted to cut back the food stamp program, and the President has requested that the Congress place a 5-percent ceiling on the automatic cost-of-living benefit increase in social security and supplemental security income scheduled for this July. Moreover, the increased price of oil will mean that everyone will have to pay more for fuel, utilities, and transportation. Older Americans already are spending a disproportionate amount of their incomes on these items, and increased costs will create even greater economic problems for them.

I would like to take a few moments to look at some major aspects of the administration's economic program and their potential impact on older Americans.

#### SOCIAL SECURITY AND SUPPLEMENTAL SECURITY INCOME

Older Americans are often the hardest hit by inflation—they are the least able to cope with higher prices because they spend a larger portion of their income on the very items which have risen the most. From 1970 to the fall of 1974, the Consumer Price Index rose 31 percent. In that same period, however, food rose 44 percent, and the most widely used staples—flour and rice—almost doubled in price. Other items like fuel, utilities, and health care also have risen at rates well above the national level of inflation. As a result, the poor and elderly have been forced to do without many goods and services they need.

Because of the special hazards of inflation to those on fixed incomes, the 92d Congress approved an automatic cost-of-living benefit increase in social security. The automatic increases are designed to provide some financial insurance during periods of chronic inflation. A similar cost-of-living escalator was enacted by the 93d Congress for

those on supplemental security income, SSI.

The first cost-of-living increase is due this July, and it is projected at 8.7 percent. However, in his state of the Union address the President asked the Congress to place a ceiling of 5 percent on the cost-of-living adjustment. This would put an extraordinary burden on this Nation's older citizens, and I do not believe the Congress will or should enact this legislation.

I have cosponsored a resolution introduced by Senators CHURCH, MONDALE, and KENNEDY expressing the sense of the Senate that a 5-percent ceiling should not be placed on the social security cost-of-living escalator. A majority of the Senate has given its support to the resolution. Hopefully, this will ease the growing worry and concern of those dependent upon social security benefits.

#### FOOD STAMPS

Unfortunately, not all programs are as well protected from executive fiat as social security. The food stamp program is a good example. The administration arbitrarily decided to increase the cost of food stamps beginning this March.

This increase would have hit the elderly poor hardest, eliminating from the food stamp program about 1.5 million individuals with net monthly incomes between \$154 and \$194, even though \$194 is below the poverty line. Individuals with net incomes of \$146 a month, the Federal SSI base payment, would have had to pay \$43.80 and \$46 in food stamps each month, a substantial increase from the \$30 they now must pay. The food stamp cutback would have increased malnutrition among those most vulnerable to ill health, inevitably increasing Federal expenditures for assistance in the years to come.

Fortunately, the Congress earlier this month nullified the President's action with overwhelming votes to continue the current food stamp program without cuts.

#### MEDICARE

The administration would increase the economic problems of the elderly through the medicare program as well. The budget proposal would mean new costs for most stays in the hospital as well as for doctor visits. These additions would affect almost every older person with any significant medical expenses. Fortunately, the Congress would have to enact legislation to increase the cost of medicare, and I do not believe that this kind of legislation will be approved.

Even without the President's proposals, the health expenditures of older Americans have increased significantly since the program began—because of increased costs in noncovered items such as out-of-hospital prescription drugs, increased deductibles, and a decrease in the proportion of claims for which doctors accept medicare reimbursement as full payment for their services.

As a result, I have introduced legislation with Senator RIBICOFF to freeze the cost of medicare at 1974 levels and to enable the medicare program to provide virtually all of the elderly's health care costs. The burden of the Nation's eco-

nomic woes should not be placed on the elderly—especially not in the area of health and health care.

#### ENERGY

The President has suggested that Congress enact legislation to deregulate domestically produced oil and natural gas, and he has begun to place an additional tax on foreign oil. These actions will not impose a burden exclusively on the elderly, but they certainly will not bypass the budgets of older Americans. Utility bills and fuel oil costs already have risen significantly—and the new proposals will increase them even more. Low-income senior citizens who often live in poorly insulated housing and who are subject to illnesses easily aggravated by lower temperatures will be required to make disproportionate sacrifices. And, many programs that directly serve the elderly will be forced to curtail their services because of the increased costs of energy.

Transportation is one of the most chronic problems for older Americans. For those who own cars, increased gasoline costs only will further isolate them from their friends, the doctor, and their communities. For those who depend upon others for transportation or public transportation, increased fuel costs will increase their transportation costs and decrease their income that can be used for other essential items.

Older Americans do not have the budget flexibility of many American families. Virtually every item in the older person's budget is a necessity. Increased costs for food, health care, transportation, and utilities have an especially harsh effect on the elderly because many do not have any luxury items which they can eliminate. Providing greater financial assistance would help them, but that is not what the President has proposed.

#### TAX REBATES

The proposed tax rebate plan included in the President's economic message would offset some of the increased costs faced by American families. But for most of the elderly, the President's rebate plan would provide little real help because about 60 percent of older Americans do not even have enough income to file income tax returns; another 20 percent would receive an average rebate benefit of less than \$6 under the President's proposal, leaving only 20 percent that would benefit meaningfully under his tax rebate proposal. While the President did say that there would be an \$80 rebate for those low-income individuals who do not pay taxes, this comes to about 23 cents a day, and that will not offset the increases in food, health, fuel, and utilities in the coming year.

Congress certainly agrees that we need a tax cut now, but we must insure that those people who need the additional spending power the most receive the bulk of the benefits. Older Americans certainly can use more disposable income, and they should receive a greater share of the benefits from a general tax rebate plan. I am confident Congress will provide just that kind of tax cut. The House Ways and Means Committee has made a good start with its rebate/tax cut plan.

Mr. President, older Americans have done a great deal for this country. They have helped build our prosperity and wealth. No other group in society needs or deserves more help, and this Congress and the administration should work together to give them a greater share of our abundance—to help them during these difficult times.

#### SELECTION OF JOHN DUNLOP TO BE SECRETARY OF LABOR

Mr. HUGH SCOTT. Mr. President, President Ford's selection of John Dunlop to be the new Secretary of Labor bodes well for the country as we attempt to combat growing unemployment. An excellent editorial in the *Christian Science Monitor* sums up Mr. Dunlop's qualifications. I ask unanimous consent that this editorial be printed in the *RECORD*.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

[From the *Christian Science Monitor*,  
Feb. 2, 1975]

#### A HEAVYWEIGHT FOR LABOR

President Ford made an excellent choice in picking John Dunlop to replace Peter Brennan as Secretary of Labor.

With unemployment at 8.2 percent at last count and still climbing, with 7.5 million persons out of work, Mr. Dunlop can have few illusions about the demands that lie ahead. The administration does not expect employment to improve much even by election day a year and half hence.

The rally of 8,000 auto workers last week in Washington generated fiery denunciations of administration policy. It might have been only a harbinger of what labor will do in its attempts to influence Washington. Labor wants a stronger unemployment package, expanded health care, as well as a faster economic recovery and aid for especially hard-hit industries such as automaking.

In this atmosphere, it would have been impossible for Mr. Ford to have recruited another man like Mr. Brennan from the ranks of labor itself. Mr. Brennan had been picked by President Nixon at a time when the Nixon White House was wooing the working-class vote. Brennan's building trades followers in New York had given the kind of pro-Vietnam, antistudent, hard-hat backing the administration liked.

Mr. Dunlop, a Harvard economist seasoned by years of labor mediation and high-level Washington experience, is definitely more a man for the present hour. He headed the Cost of Living Council during the third and fourth phases of the recent wage/price controls era. He emerged from the exercise with his objectivity intact. He is realist enough to know that controls may again one day be tried. If they are, he would favor an industry-by-industry approach, instead of applying blanket rules for an entire economy which could cause costly and unnecessary pressures on many industries.

Mr. Dunlop is a man of decided views. He can be expected to wade into White House skirmishes with such outspoken officials as Treasury Secretary Simon. Labor leaders expect that Mr. Dunlop will represent their case accurately.

Mr. Ford can expect very vocal opposition in the coming months from Democratic labor. But he has gained a point in choosing a heavyweight as labor chief, and not merely someone to hold labor's hand while joblessness soars and inflation still hangs at a double-digit 11 percent rate.

#### TRIBUTE TO GEN. HENRY A. MILEY, JR.

Mr. STENNIS. Mr. President, I would like to pay tribute to one of our most distinguished and dedicated military leaders, the commanding general of the U.S. Army Materiel Command, AMC, Gen. Henry A. Miley, Jr. General Miley is scheduled to retire at the end of this month after 38 years of honorable and faithful service to our Nation's Armed Forces. He pointed the way for the Army logistics system in the years to come.

General Miley became commanding general of the Army Materiel Command in November 1970, after 17 months as deputy commander. During World War II, he spent 48 months in the Pacific with antiaircraft and ordnance units and upon his return to the United States in 1946, served for a year on the faculty of the Ordnance School. Later, General Miley served tours at Frankford Arsenal, Pa., and in U.S. Army, Europe, before 4 years in the office of the Chief of Ordnance. Returning to Europe in 1961 General Miley served in the G-4 division of the Communications Zone at Orleans, France, later heading the Advanced Weapons Support Command at Pirma-sens, Germany, and then serving as Ordnance Officer of U.S. Army, Europe. In April 1966, he was named Director of Procurement and Production at AMC headquarters and in August 1966, Assistant Deputy Chief of Staff for Logistics—programs and budget—in the Pentagon.

The Army Materiel Command consists of a nationwide network of 69 military installations and 57 activities, responsible for the materiel functions formerly performed by the Army's technical services, including research and development, test and evaluation, procurement and production, storage and distribution, inventory management, maintenance and disposal. The command has management responsibility for an inventory of approximately \$11 billion on hand in depots in the Continental United States; \$4 billion on order from procurement; and \$17 billion in ammunition and other major items in the hands of troops or overseas depots; and an annual expenditure of approximately \$9 billion. It directly employs 11,200 military and 113,500 civilian personnel.

With headquarters in the Washington, D.C. area, AMC operates through seven major subcommands and directs the activities of depots, laboratories, arsenals, maintenance shops, proving grounds, test ranges, and procurement offices throughout the United States.

Under General Miley's outstanding leadership, the Army Materiel Command has been instrumental in the development, production, distribution, and support of the most modern, effective, and reliable equipment for our combat forces and their allies, in the history of our Nation. Our troops in Vietnam were equipped with the finest and most effective vehicles, tanks, helicopters and other weapons' systems known to man. Many of these developments were accomplished under crises conditions to meet the overriding needs of our forces in Vietnam. Through it all the Army Materiel Com-

mand supported our troops in the field in a manner which brought praise from our fighting men and our allies alike. The TOW Anti-tank system, the Dragon medium-tank missile, and the Lance surface-to-surface missile system, are just a few of the highly successful systems which have been developed by AMC in recent years. There have also been significant breakthroughs in the electronics and night vision areas.

Under General Miley's direction the Army Materiel Command has continued to provide for the effective support of the Army. During 1973 the Army Materiel Command went through the most drastic organizational realignment since its creation in 1962. This was followed by further and equally drastic action in 1974 to realign the Army Depot System in the interest of economy and efficiency. These improvements have been accomplished with concurrent refinements and improvements in the materiel acquisition process. Management has been significantly improved under General Miley's leadership through such actions as identification and disposition of excess operating equipment, valued in the hundreds of millions of dollars, and implementation of computer systems which have resulted in significant improvements in the Army's logistic support system.

I proudly salute General Miley personally for his splendid record of achievement and outstanding contributions to the Army of our country.

#### MINNESOTA WITNESSES TESTIFY AT SENATE DAIRY HEARINGS

Mr. HUMPHREY. Mr. President, on February 7 our Senate Committee on Agriculture and Forestry held hearings on the current dairy situation.

I was pleased to be able to welcome a distinguished bipartisan delegation of Minnesota witnesses, headed by State Senator Myrton Wegener and Commissioner of Agriculture Jon Wefald. Others in the delegation included State Senators John Bernhagen and Howard Olson and Representatives A. J. Eckstein, Marion Menning, and Gilbert Esau.

The group reported that the dairy industry is in terrible shape with farmers continuing to face a severe cost-price squeeze. Dairying is extremely important to Minnesota, and it is urgent that action be taken to raise the milk price support level.

I have introduced S. 284, which proposes that the support level for milk be set at 90 percent of parity. The Minnesota delegation strongly supported setting the support level at 90 percent of parity.

The Minnesota delegation also met with officials of the Department of Agriculture and attempted to make clear the plight facing our dairy farmers today.

Mr. President, this was a very well informed group, and I ask unanimous consent that their prepared statements—by State Senator Wegener, Commissioner Wefald, Representative Eckstein, and Representative Menning—be printed in the *RECORD*.

There being no objection, the state-

ments were ordered to be printed in the RECORD, as follows:

TESTIMONY OF MINNESOTA STATE SENATOR  
MYRTON WEGENER

Mr. Chairman, members of the committee, my name is Senator Myrton Wegener, vice chairman of the Minnesota Senate Committee on Agriculture and Natural Resources.

This bi-partisan delegation is here to testify before this distinguished committee because the dairy situation in the midwest is out of hand, and we believe there is a critical need to express the problems facing midwest dairy farmers in hopes of establishing a policy to remedy them.

The delegation the forthcoming witnesses represent, is an official delegation of the States of Minnesota and Wisconsin. We have been dispatched by official sanction of our respective legislatures to articulate to this body the urgent needs of Minnesota dairy farmers.

The importance of such a meeting cannot be over-estimated. In Minnesota last year, over 3,000 dairy farmers went out of business and thousands more are on the verge of bankruptcy. Needless to say, Minnesota's dairy economy—which services 37 million consumers—will have a profound impact on the stability of America's dairy economy.

Unless a realistic and reasonable solution to the critical problems affecting Minnesota dairy farmers can be found, the long-term effects will be devastating and widespread.

In the past administration, President Nixon allowed foreign imports to glut the domestic market in an apparent attempt to temporarily drive dairy prices downward. The obvious effect of this near-sighted remedy was that dairy farmers were receiving less money for their product. To compound the problem, cost of production was at an all-time high, so with overhead going up and prices going down, dairy farmers were caught in the worst cost-price squeeze of this century. This condition prevails today and is not getting any better for dairy farmers. It could in fact get much worse, should farmers abandon dairy farming for the rising prices for meat products.

The Minnesota public is sensitive to these dairy problems and there is widespread belief among Minnesotans, that more equitable treatment for dairy farmers is both necessary and deserved.

Unless legislative relief is immediately provided, thousands more Minnesota dairy farms are likely to go bankrupt this year, and the consequences are sure to ripple through many more States than our own.

At this time, Mr. Chairman, I would like to yield to the Commissioner of Minnesota's Department of Agriculture, Mr. Jon Wefald.

A POSITION PAPER ON THE AMERICAN DAIRY  
SITUATION TODAY

We are grateful to the Chairman and the members of the United States Senate Committee on Agriculture and Forestry for having granted our official delegation from Minnesota, the nation's leading state for production of manufactured dairy products, this opportunity to testify on a matter of importance and urgency.

The fact that our delegation from Minnesota is of bi-partisan composition, including both Republicans and Democrats in state government, is a strong indication of Minnesota's concern for the desperate plight of our dairy farmers and the need for positive and swift federal remedial action.

Nationally a great debate continues to determine the state of the nation.

Dairy farmers don't need to participate in these critical discussions as to whether the nation is in a state of recession or depression.

Dairy farmers know they are in a depression, both economically and mentally, and

one of the worst their important industry has ever experienced.

For the first time, in Minnesota if not nationwide, dairy farmers are applying for food stamps and welfare assistance, for their own families.

They deserve far better than the slave labor and bankruptcy situation in which dairy farmers have been thrust by the unprecedented whims of nature and the federal bureaucracy.

We ask no favored treatment for dairy farmers. All we plead for today is that dairy farmers be treated fairly and honestly by the federal government that does have some responsibility for this growing rural and economic tragedy.

Farmers deserve a comparable form of guaranteed minimum income that has already been guaranteed by the federal government many long years for the rest of the majority of our productive work force.

The bill before you today is a reasonable step in that direction, but by no means a total answer. Raising the federal milk price support to 90 per cent of parity is a fair compromise that will benefit both farmers and consumers in these times of national crisis. Dairy farmers deserve full parity, you and I all know.

Granted a federal guarantee of 90 per cent of parity, dairy farmers can continue to be a vital part of rural America and at the same time assure an adequate and continuing supply of high quality, reasonably priced and wholesome milk and dairy products to meet the nutritional needs of our growing national population.

Dairy farmers cannot long survive the present cost-price squeeze.

Minnesota is again losing dairy farming operations at an alarming rate, forced by the worst cost-price crush of the century excepting only—perhaps—the Great Depression of 45 years ago.

In the fiscal year ended June 30, 1974, Minnesota lost 3,188 dairy farms.

That was a loss of 8.5 per cent of the total number of dairy farms at the end of fiscal 1973.

Even more grim, and attesting to the prolonged depression the dairy industry has suffered and is suffering, is the fact that Minnesota in just the past decade has lost half of the total number of dairy farms that were operating in our state in 1965.

Minnesota is not a populous state, currently about 4-million citizens. To have lost nearly 34,000 families from dairy farming in only a decade is shocking, but true.

The question is not where the 34,000 families went, but why did they leave dairy farming? Why are they still leaving the dairy farm at an accelerated rate?

It isn't because theirs is the most demanding major occupation in our nation, although they do work at 12 to 15 hour day, 365 days a year on a dairy farm, by itself enough of a reason to look for a job that assures a legal minimum wage, a 40-hour week, overtime pay, fringe benefits and family security.

It isn't because the dairy farm family is apathetic to the world food crisis and the increased need for one of nature's most perfect health foods.

The truth is they are being forced out of business. No one can stay in business long selling any product at a loss. Dairy farmers are selling their milk production at a loss.

University of Minnesota Dairy Economists, Kenneth H. Thomas and Robert D. Appleman, advise that the recent declines in grain prices have not materially changed the loss situation Minnesota dairy experienced during most of 1974. They agree that Minnesota dairy farmers should receive about \$9.90 per 100 pounds of milk to recover actual production costs and receive a reasonable return on their labor and massive investment.

Professor Thomas has calculated the January, 1975, out-of-pocket production costs of the better than average dairy farmers in cooperative farm management associations at \$6.50 per 100 pounds of milk. That figure doesn't provide a penny for the family to buy food, clothing, heat the home, pay the plumber, electrician, or even the banker any interest on the farm mortgage.

Minnesota's mid-January farm price average for all milk was \$6.97 per 100 pounds. That, using Professor Thomas' cost estimate, leaves the average dairy farm family 47 cents to apply to bills and pay themselves.

The fact is that dairy farmers are losing about \$3 for every 100 pounds of milk they sell, on the average. Farmers selling milk for processing into manufactured products are losing up to \$4 and more on each 100 pounds. Farmers selling Grade A milk for fluid packaging are doing much better, but only a few claim to be breaking better than even.

In Minnesota, the mid-January milk price average of \$6.97 was \$1.26 below the level of the first three months of 1974 when the price averaged the highest at the farm level in Minnesota history. . . . and the latest price average is still only 50 cents above the disastrous low of \$6.47 in July, 1974. The mid-January price average also is more than 28 cents below the mid-month average for all of 1974.

Milk is the main product of Minnesota dairy farms, but beef is an important by-product. Calving is essential to milk production and providing the replacement cows that must be fed for three years before they produce the first drop of milk.

Dairy farmers have serious decisions to make to cut their losses. They are cutting back on feed, because of the high input prices, despite the fact that less feed for the cow means less milk production. They have sharply culled herds, keeping only the best milk producers. Calves, once a prized asset, now are a luxury few dairy farmers can afford to keep. No tears are lost when a calf is born dead today.

Dairy calves have been sent to market for veal, for further feeding, at an alarming rate. But there is little recovery there, either, because the entire livestock economy is in depression. Few farmers want to risk gambling one to three years of out-of-pocket expense against the remote hope of a decent profit that the combination of weather and Washington have shot out of the saddle these past two years.

Three recent communications of actual experiences of Minnesota dairy farmers graphically illustrate the growing economic malignancy that left unchecked threatens to destroy rural America. . . .

One enclosed a copy of a marketing bill and the check for a 200-pound Holstein dairy calf that even the South St. Paul commission agent identified as a fine animal. The calf sold for only 16 cents a pound or a total slightly over \$22. The farmer's documented records showed that it had cost him 54 cents per pound, or a total of \$108 to raise that calf to the sale weight. The fact is that he lost \$86 out of pocket plus the family labor and pro-rated investment.

A second letter, from a farmer who marketed a 100-pound dairy calf in the St. Cloud auction market, would have had to pay out another \$1.50 out of his own pocket, if the auctioneer had not generously donated the trucking fee normally assessed to the farmer. That farmer's total check for the handsome veal calf was 50 cents.

Even more grim was a recent report from a dairy farm in western Minnesota. In better times, dairy farmers used to celebrate the birth of twin calves as an income dividend. In this case, however, twin calves were immediately and humanely destroyed because they represented a liability the farmer said he could not afford.

The logic was simple, and the reason still exists. Dairy farmers are losing money on every calf they keep. If they sell or destroy the calf at birth the continuing loss has been minimized, and the mother cow can be back on the milk production line in three days if she is a high yielder the farmer is willing to risk keeping. Keeping the calf would keep the cow off the milk line for months.

Calves sacrificed today cannot provide either milk or meat for the future.

Dairy and beef calves being sold in desperation to reduce the drain against capital resources have glutted nearly all markets, compounding the dilemma for farmers.

Look at the cold storage inventories. Look at the Commodity Credit Corporation purchases. Both sets of statistics are shocking indictments of what has been allowed to happen to our dairy and livestock economy.

Farmers accept weather disasters, even those of the staggering consequences of 1974 that destroyed an estimated \$1.2-billion worth of Minnesota crop production.

But farmers should not have to compete against unrestricted dairy and meat imports heavily subsidized by foreign governments—imports that really were not warranted—imports that are draining millions of dollars and thousands of jobs from our own national economy.

Nor should farmers be forced by their own federal government to self-destruct because they are denied a decent price guarantee for the increased food production the same federal government has demanded of them.

It is unrealistic, under present federal agricultural policy, to ask an essential and family-operated business to continue to provide more milk, dairy and meat products at a loss. Yet, that is exactly the predicament of some 34,000 Minnesota dairy farming families, who are losing an average of nearly \$600 of capital or credit reserves each and every month.

The present support is too low. Cold storage inventories are too high.

Cold storage inventories represent a continuing threat to American dairy and livestock farmers. The December 31, 1974 inventory of dairy products alone in cold storage was 32.5 per cent higher than at the end of 1973.

Cold storage inventories of both dairy and meat products skyrocketed during the federal experiment with unrestricted imports in an unsuccessful attempt to force down consumer food prices. Unrestricted imports continued until late November, 1974, despite the magnificent response of American farmers to the federal demand for maximum domestic food production.

Federal farm price supports do work. CCC purchases to raise the general market price ranges to the federal price support level are now only a few cents short of goal.

The problem is that Secretary Butz did not set the goal realistically. He set it too short, at the old legal minimum of 80 per cent of parity.

Federal economists and politicians have not yet really faced up to the fact that a federal price or wage "minimum" guarantee in reality becomes the open market ceiling price or wage.

This committee should carefully scrutinize the statistics on dairy imports in conjunction with CCC purchases. The comparison will be enlightening.

Dairy imports, according to federal statistics for 1973 and 1974 amounted to over 580 million pounds of butter, cheese and non-fat dry milk, or 42.3 per cent more than the volume of the same domestic products the CCC has purchased since farm milk prices fell below the support level last April, 1974.

In other words, federal policy has been subsidizing foreign dairy farmers to a far greater extent and to the detriment of our own domestic dairy industry.

Fortunately, although too late for thousands of bankrupted American dairy farmers, the administration restored the quota system for dairy and meat imports. The backlog is still with us, and will be for months to come.

The question is whether our surviving domestic dairy farmers will be able to hang on, milk cows, and stall the mortgage holders.

We don't think that they can, without immediate and positive action by the Congress to guarantee a fair and decent income to the forgotten worker, the dairy farmer.

Minnesota urges this committee to unambiguously approve the bill before you that will guarantee farmers 90 per cent of parity support prices they deserve.

Your favorable action will not only save thousands of dairy farm families from a fate they and rural America do not deserve, but it will be the best insurance you can buy for the protection of American consumers of healthful dairy products.

#### TESTIMONY BY STATE REPRESENTATIVE A. J. ECKSTEIN

First, I want to mention a little bit about my personal background so that you may be able to better evaluate some of the points that I am going to make later in my testimony. I will try to be brief, as I know that your time is limited, and there are many people that wish to testify.

I am a Veterinarian, graduating with a DVM degree from Iowa State University in 1946. During the last 29 years, I have practiced at New Ulm, Minnesota except for approximately one year. I was born and raised on a 180 Acre Dairy Farm near New Ulm in Brown County.

A brother practices veterinary medicine at Sleepy Eye about 15 miles west of New Ulm, and a brother-in-law practices veterinary medicine also. Both are graduates of the University of Minnesota. Three of my brothers are family farmers in my district. All of them have sold their dairy cows. One of them lives on the home farm which has a double wall clay block barn 100 ft. long and 36 feet wide with 45 stanchions, barn cleaner, bulk tank, milk transfer system, long concrete outside slab, and two large silos with automatic unloaders. He had an excellent herd of Holstein dairy cows . . . many of them registered. The reason he sold the herd of about 50 cows along with the young heifers was because of the low price of milk. He claims that he would have had to get another job in order to make the farm payments and pay for the concentrate and other supplies for the cows. He feels that it was a good decision to sell the cows and has more income without the herd.

The county extension agent from Brown County gave me some interesting statistics about the number of dairy farmers, and dairy cows in Brown County. They are as follows:

|                    | 1960   | 1965      | 1970      | 1975    |
|--------------------|--------|-----------|-----------|---------|
| Dairy farmers..... | 1,036  | 836       | 601       | 1,458   |
| Dairy cows.....    | 15,600 | 15,500    | 14,200    | 12,750  |
| Statewide:         |        |           |           |         |
| Dairy farmers..... |        | 59,900    | 39,891    | 21,782  |
| Dairy cows.....    |        | 1,236,983 | 1,215,696 | 874,261 |

<sup>1</sup> Estimated.

Note: This is a very large decrease of family dairy farms and dairy cows.

I attribute the decrease entirely to the low price of milk, and larger fluctuations in the market. Dr. Philip Raup, University of Minnesota Agriculture Economist explained at the Minnesota Horizons Seminar about three weeks ago that over 50 percent of the family farmers in Minnesota receive over one-half of their income off the farm. This

is really a sad situation when over one-half of the State's farmers need to have jobs off the farm in order to pay for the interest, feed, seed, fertilizers and fuel.

I have photocopies of the receipts which are attached with their checks from three milk producers in Brown County. These are attached as part of my testimony. One is a Grade "A" producer, one is a manufacturing milk producer with a bulk tank, and another manufacturing milk producer using milk cans. These are for the period from January 1, 1974 through December 31, 1974.

As you will note, the bulk manufacturing milk producer received \$7.90 per hundredweight for January 10, 1974 . . . and \$6.38 for December of 1974 with a high of \$8.00, and a low of \$7.35 for 3.5 percent butterfat milk. The can milk producer received \$7.70 per hundredweight for January 1974 . . . and \$6.21 for the month of December 1974 for Grade 1 milk. The grade "A" producer received \$7.94 and \$8.30 per hundredweight for January, and \$7.76 and \$7.12 in December. He is paid twice a month, and is entirely dependent upon his milk check for his income from his 160 acre farm.

During the January 11, 1974, snowstorm he had a tremendous loss. The loose housing system with the free stall filled with snow four to five feet deep. These sheds are usually partially open on one side, and the cows are milked in a parlor. This system has been recommended by the Universities to cut costs, and works quite well during good weather conditions.

During this snowstorm, however, many of the cows froze their tails, ears and udders. Some of them so bad that they died, others developed mastitis and gangrene . . . others had to be sent to market for slaughter. This particular producer is losing about 500 pounds of milk production per day . . . or, almost \$1,000.00 per month. This man has payments to make to the bank of \$1,000.00 plus per month for improvements he made last year on his Grade "A" set-up. The low prices of milk and the snowstorm are a disaster for him and most of the other dairymen in Minnesota.

The costs of supplies and equipment have about doubled during the last year.

Grid 10, the cleaner and antiseptic used to clean the equipment has doubled in cost. Even manure spreaders have gone from about \$1,000 to over \$2000 . . . not to say anything about baling twine, wire, inflations, fencing, etc.

Another important factor oftentimes overlooked is that cull cows are only worth \$10.00-\$15.00 per cwt., and calves \$4.00 to \$20.00 each. Many times a farmer cannot sell his calves, and he can't afford to buy milk replacer so he just lets them die.

I have a client who thought that he would buy a few calves to increase the size of his herd. He ran an ad in the local newspaper offering to buy good healthy calves . . . one week old for \$20.00. His phone rang almost constantly, and after one day he removed the ad. Day old calves are selling for \$4.00 each—if the farmer can find a buyer. Surplus or cull cows are selling for \$100.00 to \$150.00 each. These are disastrously low prices, and many farmers depend on that income to help sustain the herd.

I do not know all of the factors that are responsible for this large drop in milk prices, but I believe that the tremendous increase in imports of dairy products had a lot to do with it.

We have a large cheese plant and a large butter plant located in New Ulm. Both plants were processing cheese and butter which was imported. These products are re-packaged with American labels.

Another factor is the high cost of milk to the consumer. At the present time, Grade "A" 3.25% milk is selling for \$1.23 in the supermarkets in the New Ulm area.

TESTIMONY OF STATE REPRESENTATIVE  
MARION MENNING

Mr. Chairman, and members of the Senate Agriculture Committee, I certainly appreciate the opportunity to testify before this committee the concerns of the farmers of the State of Minnesota. The following information is taken from one of the top DHIA herds of dairy cattle in the State of Minnesota.

The average amount of production per cow is 13,170 pounds of milk at \$7 per hundred weight is equal to a total of \$922.39 per year.

The following feed costs are also taken from DHIA records. The average feed costs per year per cow are as follows:

|   |          |
|---|----------|
| 5,400 pounds of concentrate at \$139 per ton..... | \$351.00 |
| 5,500 pounds of hay at \$70 per ton.....          | 192.50   |
| 5,500 pounds of silages at \$30 per ton.....      | 82.50    |
| Bedding for six months (per cow).....             | 2.00     |

Total feed costs per cow..... 628.00

The profit over feed costs is \$294 per cow per year. Other costs are as follows. We will base these costs on a 50 cow herd which is a full time job for one family.

|  |            |
|--|------------|
| Other costs:   |            |
| Milk hauling.....  | \$1,975.00 |
| Breeding and vet.....  | 750.00     |
| Cleaning and supplies.....   | 500.00     |
| Cost of cow replacement (difference between salvage and replacement).....                      | 2,500.00   |
| Interest on 50 cows at \$500 per cow at 8 percent.....   | 2,000.00   |
| Depreciation on buildings and equipment.....   | 3,750.00   |
| Interest on undepreciated value of equipment and buildings (based on \$75,000 investment)..... | 3,000.00   |
| Total other expenses.....  | 14,475.00  |
| Total gross profit.....  | 14,700.00  |
| Total expenses.....  | 14,475.00  |
| Total net profit.....  | 225.00     |

Mr. Chairman and members of the committee, after the farmer has paid his tax and insurance he finds himself in the red. He has worked 365 days in the year at least 12 hours per day. If these kinds of prices are maintained no dairyman in Minnesota will be left after two years and the food stamp line will only grow longer.

What we need in our country for the dairyman is cost of production plus a reasonable profit.

Senator Humphrey has introduced legislation asking for a dairy support price of 90% of parity. We are here today to support Senator Humphrey's bill.

Protection is needed for the American farmer against unreasonable amounts of farm products being imported into this country.

THE 57TH ANNIVERSARY OF THE  
REPUBLIC OF LITHUANIA

Mr. THURMOND. Mr. President, 57 years ago on February 16, 1918, the Republic of Lithuania was established as an independent nation. Coincidentally, February 16 is also the 724th anniversary of the Lithuanian State. The people of Lithuania have always been a forthright, honest, hard-working, and freedom-loving people. They continue in this tradition today, even though in 1940, when Lithuania had been an independent nation for only 22 years, the Soviet Union

invaded and occupied the Baltic States of Lithuania, Latvia, and Estonia.

Mr. President, one must look at old maps of Europe to find Lithuania shown as a separate and independent nation. The newer maps portray this proud country as a part of the Soviet Union. Nevertheless, the Lithuanian people remain strong and steadfast in spirit, convinced that they one day will once again be a free and sovereign nation.

Mr. President, too often, we overlook the ongoing struggle for freedom which is taking place in Lithuania. I hope that we in the United States will remember the people of Lithuania, not only on February 16 of each year, but throughout the year, as they continue to grapple with the chains of oppression.

A BIPARTISAN FOREIGN POLICY

Mr. MONDALE. Mr. President, I submit for the RECORD a foreign policy speech given recently by the Senator from Texas, Mr. BENTSEN, at Georgetown University. I would like to draw attention, in particular, to the comments made concerning a bipartisan foreign policy. I believe it is vitally important that the Congress and the executive work together in order to have an effective foreign policy. But as Senator BENTSEN points out, that requires flexibility on the part of the executive and not just on the part of the Congress.

Mr. President, I ask unanimous consent that the speech by Senator BENTSEN be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR BENTSEN

I want to visit with you tonight about our foreign policy . . . about its pluses and its minuses . . . about the direction of America's international leadership in the years ahead . . . and to share with you a few of my own concerns about the imbalance in our foreign policy.

The bomb that shook the State Department last week was a violent expression of deep discontent, presumably over our continuing support of South Vietnam.

It was the work of extremists, a despicable act, but it is not just the extremists who are discontent with our foreign policy.

Many thoughtful Americans—who express themselves in more civilized ways—are uneasy about our foreign policy . . . in Indochina and elsewhere.

I count myself one of them.

I am opposed to the request for an additional \$300 million to prop up the crumbling Thieu Regime. It is not as though we have denied them all assistance. We will still be providing them \$700 million. We have provided South Vietnam altogether \$248 billion in military assistance alone in the last decade and we lost 50,000 American lives in that country. I think it is time to firmly and finally draw the line. Enough is enough.

But Vietnam is only one small facet of the foreign policy picture, and only a reflection of the broader problems in our policy-making process.

That policy-making process has become dangerously constricted and convoluted, with an undemocratic emphasis on secret diplomacy, personal negotiations, and one-man authoritarianism.

Never before in our history have we seen such a concentration of foreign-policy decision-making in the hands of one person—

one person who wears two official hats and unofficially wears a third: that of roving ambassador.

It's time for Secretary Kissinger to check two of those hats.

Running the State Department is a full-time job for any man—even a superman—and it can't be done from a jet plane circling over a Middle-East airport.

He is an able, brilliant man—but he has spread himself much too thin.

It's time for Secretary Kissinger to come in from the cold—and turn his attention to overhauling, modernizing, and reactivating the rusty machinery of our foreign-policy decision-making apparatus.

It should be clear to him that a one-man decision-making apparatus is incapable of coping with the complexities and demands of international politics today.

Events at one point last year, for example, demanded that his attention be divided among Cyprus, the Middle East, the SALT Negotiations, China, Japan, Russia, and Korea, as well as foreign aid and trade legislation on Capitol Hill.

And I might add that his performance was something short of stellar in many of those areas.

Last week, he made the decision to postpone his promised visit to Latin America because he was needed in the Middle East . . . and he's needed in Cyprus . . . and he's needed on Capitol Hill to work on trade and aid legislation.

These examples simply underscore the need to restructure and revitalize our foreign-policy making machinery.

I want to remind Secretary Kissinger that the Congress is part of that machinery. Secretary Kissinger says he wants a partnership with Congress. That's well and good but the question is—what kind of partnership? Congress will not be an absent partner, a silent partner, or a limited partner. It must be—and will be—a full partner.

The late Senator Arthur Vandenberg said it well, I believe. When it comes to foreign policy and participation by the Congress, Vandenberg said that he "wanted to be in on the take-offs as well as the landings." That's how I feel.

I believe there can be a truly bi-partisan foreign policy.

But bi-partisanship is *not*: a Secretary of State, operating in secrecy, making deals, and then coming to Congress and saying: "Accept this or take the blame for failure."

Bi-partisanship is *not*: A Secretary of Defense telling Congress that unless it approves, in toto, the Administration's biggest defense budget yet, that Congress endangers world peace and U.S. National security. There can be no rational debate in that framework.

Bi-partisanship is *not* the continuous and concerned effort of this Administration to try to shift the blame of its own foreign policy failures to a Congress which is reasserting its constitutional prerogatives.

The failures in Cyprus, in Indochina, in the Mid-East, in Latin America, in Canada, in Europe, the failure to recognize the interrelationship of the world's economy is *not* a Congressional failure. These are failures of a policy which was conceived and executed without adequate and proper consultation with the Congress.

This is *not* the time for partisanship nor for one-man policy-making. This Congress will be cooperative, if it is consulted, if it is brought in on the formulation of policy.

Our foreign policy is becoming increasingly obsolete.

The Kissinger approach to foreign policy is based on the outmoded concept of a "balance of powers" distributed among 3 so-called "great powers."

It ignores the realities of today's world. It overlooks emerging new power centers. And it neglects the growing importance of economics in the international order.

We cannot continue to disregard the profound changes in the contemporary world, the rapid shifts in the centers of economic and political power.

The communist nations, long isolated, are becoming increasingly involved in Western economic affairs.

Industrialization and 20th Century technology are spreading.

Emerging third-world nations are pushing for a bigger share of the world's goods. Many of them have discovered political power, as well as economic leverage, in the control of scarce raw materials.

And the fourth world appeals for assistance from not-always-affluent industrialized nations.

Beyond question, a new day is dawning in world affairs. And the question is, what part will the U.S. play in the new scheme of things?

Is the United States slipping into the twilight zone of "past great leaders"?

Are we to be only a passive onlooker, watching a new world order develop from uncoordinated, unilateral actions and shaky, shifting alliances of convenience, facing new challenges with an out-of-date foreign policy?

I don't think so.

Nor do our friends and allies.

While I was in Europe last November, I had discussions with Prime Minister Wilson in London, with Chancellor Schmidt in Bonn, with President Giscard d'Estaing in Paris, and with the economic leaders in all three countries.

I found general agreement among them on the need for strong leadership to avoid destructive economic warfare.

And I found support for strong leadership by the U.S.

The image we present to the world, however, is not reassuring.

Our European friends express some doubt that the United States can or will fill the leadership vacuum that now exists.

But we are still their "last best hope."

Whether we fulfill their hopes depends largely on us.

I am concerned that recession and fear of depression at home may prompt a dangerous drift into isolationism, toward a feeling that we should concentrate on our own problems for a change and let the rest of the world look out for itself.

Unfortunately, it is not that simple.

It will take strong leadership to counteract that impulse, to convince the American people that isolation is impossible and unwise.

The problems of war and peace, of population pressures and food supplies, of energy and industrial development, of trade and access to raw materials, of economic and social growth—all these are global problems, as is the problem of economic stability which preoccupies us now.

To attack these problems, we can and we must develop a more balanced foreign policy.

We can and must take the lead in formulating realistic programs to meet emerging needs and problems.

To accomplish this, and to correct other serious social and economic imbalances, we shall have to work in concert with the rest of the world.

A good place to start is in the Middle East. We rush to detente with the Soviet Union yet Secretary Kissinger excludes Russia from his peace-making efforts in this area. This is dangerous for there can be no lasting solution in the Middle East without the participation of the Soviet Union.

It is a serious error to think that we can meet the challenges of a new world on our own—or through a foreign policy dominated by a triangular relationship with China and the Soviet Union.

An easing of relations with these two former adversaries is well and good.

But the world is a sphere, not a triangle.

A policy based on the concept of three major powers leaves out too much.

And in the rush to detente, we have neglected too many other important facets of our foreign policy—for example, our traditional allies.

In spite of occasional differences, we can't ignore the mutuality of cultural, political, strategic, and economic interests that bind the Atlantic Nations together.

The European alliance remains the most basic element of our foreign policy—and the basis for our National security.

But the alliance has been weakened—by our concentration on bilateral relations with Russia and China to the neglect of our allies, and by unnecessary disagreements with our allies over trade, monetary, and energy issues.

National interest may not carry the United States and Europe in the same direction at all times—as we saw during the Middle East crisis. But this is all the more reason to strengthen a framework for consultation in order to avoid future problems.

Within our own hemisphere, we have neglected our closest neighbors, Canada and Latin America. Our failure to work with them on vital issues has produced a real crisis in our relations with them, just when we should be drawing closer together.

The big power diplomacy of Dr. Kissinger has overlooked the problems and potential of our hemispheric neighbors. In dealing with our energy problems, for example, Secretary Kissinger has focused on Arab oil and on cooperation with Europe, neglecting the critically important energy potential within this very hemisphere.

Canada has substantial reserves of energy—as do Mexico, Venezuela, and other Latin American countries. We need to cooperate with them in reaching solutions to shortages of energy and other raw materials.

So I call on President Ford and Secretary Kissinger to develop a "Hemisphere energy strategy"—a strategy based on a new, cooperative, enlightened relationship with Canada, Mexico, Venezuela, and our other Latin Allies.

We must work with our neighbors in a constructive, orderly fashion while the door is still open, while the will still exists among these Nations to cooperate with us. For the will *does* still exist.

We have a symbiotic relationship which should be encouraged and protected.

I have introduced legislation which recognizes that relationship.

As you may know, the 1974 Trade Act prohibits granting trade preferences to members of the organization of petroleum exporting countries.

It should be pointed out that Venezuela and Ecuador—as well as Iran, Nigeria, and Indonesia—although members of OPEC, did not participate in the oil embargo against the United States and the Netherlands. Venezuela, in fact, increased its shipments to the United States as much as 25 percent during that critical time.

The bill I have offered would repeal the prohibition on preferential trade treatment to those countries which did not participate in the embargo.

These countries include 3 or our 4 major foreign oil suppliers.

This, I believe, is a major step toward strengthening U.S. National security by insuring continued supplies of energy to the United States in the event of another OPEC embargo. And it goes a long way towards repairing some hemisphere fences.

I am suggesting that our policy-makers take a broader approach to energy. A major problem with the Administration's one-million barrel reduction in imports in one year is that the costs to our economy far exceed the benefits. One estimate of such an abrupt reduction in imports would add al-

most 3% to the inflation rate. A \$10 billion loss in economic output and a half million people on the unemployment rolls by next year. The question is not should we reduce imports—the question is how much, how fast, by what means and at what cost.

As an alternative to the President's plan, I will shortly be introducing a gasoline tax, phased in over four years and rebated in an equitable fashion. This should put us on the road towards long-range energy conservation while minimizing the inflationary impact and dislocation to our economy of a million barrel reduction in imports this year.

I spent last weekend attending a Conference in Ditchley, England on the International oil problem and the monetary situation. I came away from that meeting concerned that this Administration's decision to meet with the oil-producers this summer is a poor idea at this time. I'm concerned that it will result in a high profile confrontation with vitriolic speeches by each side that will result in a hardening of positions. The long-range repercussions of this weakness in our bargaining position are obvious . . . and grave.

What we need is a global and longer-range approach to energy; a global and longer-range approach to the economy; and we need a global approach to foreign policy.

Big power politics is not enough. Detente with Russia and China does not constitute a foreign policy.

There are many new actors on the world scene today whose roles are becoming major. We neglect them at our own risk.

Secretary Kissinger's neglect of our traditional allies is equalled by his neglect of potential allies among the developing Nations. He has shown a curious insensitivity to the third and fourth worlds.

And a curious insensitivity to the humanitarian values that have given this country a vital role in moral leadership throughout the world.

We need to reassert that leadership.

We should be sufficiently mature politically to maintain open lines of communication with countries whose policies and systems of Government differ from our own.

But we should not be apologetic about our values. And we should not hold them in silence.

It is damaging to our National spirit to ignore the humanitarian principles on which our Nation was founded.

When we neglect our traditional ideals in the name of realism, we pay the price in cynicism and loss of self-respect.

This is a price we need not pay. Realism and idealism can co-exist; both are essential to a global foreign policy.

My criticism of our foreign policy tonight is not simply to oppose.

I do so because times have changed . . . and our foreign policy must be sufficiently flexible to meet the new challenges of a new world.

#### PROPOSALS TO STABILIZE OIL PRICES—S. 680

Mr. STONE. Mr. President, in seeking a solution to the energy crisis, we face one of the most serious challenges in the history of our Republic. Certainly not since the last World War have our economic independence and national security been so seriously threatened. The oil embargo of 1974 and the tremendous escalation of imported oil prices since 1973 have shocked our economy and continue to cast doubt over our future well-being as a people.

The economic and financial data now available clearly demonstrate the perilous situation we are in. In 1972 we paid

\$4 billion for oil imported into the United States. Last year, the bill had risen to \$24 billion. The price for this imported oil increased from \$4 per barrel to over \$12.50 per barrel during 1974. Economists estimate that this dramatic increase in oil prices accounted for one-third to one-half of our 12-percent inflation rate of 1974. We know that the exorbitant price we paid other countries for oil was directly responsible for the \$3 billion balance of trade deficit in 1974. And, Mr. President, we know that our friends in Western Europe have suffered even more serious economic and financial distress than the United States as a consequence of these unconscionably high oil prices.

Mr. President, we cannot accept the ruinous inflation, the debilitating export of capital, nor the threat of reinvestment of petrodollars in America which result from this artificially-imposed, exorbitant price of oil. I believe that our people not only understand the seriousness of our present situation, but are ready to support a sensible, fair, and effective program for solving our energy problems. As of yet, unfortunately, no such program has been developed and presented to the American public.

Indeed, Mr. President, some of the energy proposals presented to the American people thus far are so inadequate and inappropriate in responding to our present dilemma that many Americans are losing confidence in the capacity of the challenge before us. Although I believe President Ford to be sincere in making his energy proposals, I am convinced they harbor disaster for our already-weakened economy with doubtful promise of solving the energy crisis. It is impossible for me to understand the wisdom of raising even higher the price Americans must pay for heating oil, for electric utilities, and for other such essential energy uses in the midst of an already-rampaging inflation. This seems especially unjustifiable in view of the slim chance that the resulting reduction in domestic energy demand would bring about a reduction in the OPEC price of oil. The President's plan to reduce indiscriminately the domestic consumption of energy is unlikely to lower the OPEC price of oil but it most certainly will raise the price of essential goods and services and increase unemployment in America.

Mr. President, we must be certain as to our goals before we can be sensible about our solutions. Reducing, if not eliminating American dependence on foreign sources of energy and supply our country with energy at costs which permit continued, reasonable economic growth are the goals which I believe we must set.

Our national security, as well as our economic and financial well-being, require intensive development of and production from domestic sources of energy. The continued high standard of living which most Americans have come to enjoy and the hope for improving the economic status of less fortunate Americans depend greatly on the availability of energy at reasonable costs. While we must work hard to eliminate energy wastes, we cannot afford—especially dur-

ing the present recessionary period—either high oil prices or drastic reductions in energy consumption.

These fundamental goals—reduced dependence on foreign energy sources and the development of reasonably-priced energy for our economy—should govern the consideration of proposals put forward to solve our energy problems. Necessarily, we must develop a program which will achieve these goals in the long run and which will also alleviate the immediate emergency caused by high oil prices imposed by the Organization of Petroleum and Exporting Countries.

Like many other Americans, I have been concerned about the energy crisis for some time. During my campaign for the U.S. Senate, I found that there was no more important issue on the minds of the people of Florida than the energy crisis. In the brief time I have served in the Senate, I have observed that nothing is causing more worry nor more discussion among Members of Congress than finding a solution to the energy crisis. The national dialogue continues with no clear solution in sight.

It is not with any sense of special vision or absolute certainty of success, but rather with a desire to contribute seriously to this national dialogue that I introduced on February 13, 1975, for the consideration of my colleagues in Congress and the American people a proposal for dealing with some of the more immediate problems America is facing in connection with this energy crisis.

It is my firm belief that we cannot afford to pay the exorbitant prices now imposed on us by the OPEC nations. My opinion is based upon an analysis of the precarious economic and financial situation which has resulted worldwide and in the United States as a result of these high prices. It is also based on the economic misery of millions of our citizens who are today either unemployed or facing economic disaster because of these high oil prices. I do not suggest that we deny to oil companies and to the oil producing countries reasonable return on investment and resources. But I do suggest that we cannot accept the imposition of artificially-set prices at a level which produces extravagant profits to oil companies and producing countries and results in runaway inflation and economic stagnation in America. Until we can reduce our dependence on foreign sources of oil, representing close to 40 percent of our present domestic consumption, we must adopt a program which places a ceiling on the price our country will pay for imported oil. If we do not, we will permit ourselves to be priced into further economic recession and financial chaos.

Based on official customs valuations of imports, the July, 1974, average price of U.S. oil imports was about \$12 per barrel compared to about \$2.73 per barrel in January, 1973—an approximate 400 percent increase in 18 months. The total cost to the United States during 1974 for imported oil was approximately \$24 billion compared to approximately \$4 billion in 1972. These price increases resulted from nothing more than a decision on the

part of the OPEC nations to join together in setting exorbitant prices for the oil consuming countries.

The legislation I introduced on February 13, 1975, would establish a ceiling price and a floor price for crude oil, residual fuel, oil refined petroleum products, natural gas, and coal. The ceiling prices will be based on a \$9.50 per barrel ceiling price for crude oil and the floor prices for crude oil per barrel will be set after we secure more cost and price data from legislative hearings. In my opinion this ceiling price—well above the \$2.73 per barrel price we paid in January, 1973—allows oil producing countries and oil companies room for handsome profits without bankrupting our country. The basic idea of this bill is that we will purchase oil and petroleum products from any supplier willing to sell at less than the ceiling price to supply our energy needs in America. It does not single out any oil producing country for special treatment. Indeed, it does not discriminate against foreign oil suppliers at all inasmuch as the ceiling would apply to both domestic and foreign crude petroleum.

The floor price for crude oil would be established in order to encourage investment in alternative domestic sources of energy. This minimum price level is important in assuring relative oil price stability which is essential in the short term to encourage domestic research and development of these alternate energy sources. Uncertainty as to future oil prices causes retrenchment and retrenchment means recession. The critical importance of encouraging domestic production of oil and alternative energy resources is underlined by the fact that the domestic production of oil continues to decline despite increasing demand, rising prices, and government incentives to produce more oil. During the period January through September 1974, domestic production averaged 8,917,000 barrels per day which was a 3.2-percent decline from the 9,210,000 barrels per day produced during the corresponding period in 1973.

Within the floor and ceiling prices, prices for petroleum and petroleum products would be free to move according to the forces of the marketplace. The original minimum and maximum price levels shall govern for 12 months following the implementation of this legislation and shall thereafter be determined by the President after a review of the domestic economic situation, U.S. balance of payments, and the need to encourage and protect investments in energy research and development.

Mr. President, with respect to any foreign country willing to supply the United States with petroleum and petroleum products within the specified range of prices, this Nation shall continue its normal, friendly relationship. However, the bill provides that, upon a Presidential determination that a foreign country has taken action—the effect of which is to embargo or otherwise restrict oil exports to the United States—our economic and financial relationship with such country shall be altered to deny to such country

most-favored-nation treatment, extensions of credit, credit guarantees or investment guarantees, foreign and military assistance, and any other assistance under the laws of the United States.

Criminal sanctions are established in this bill for persons who knowingly import or sell oil and oil products in excess of the maximum or below the minimum price established pursuant to this legislation.

Mr. President, I strongly and sincerely believe that the proposal to stabilize oil prices and to encourage investment in domestic sources of energy incorporated in this bill is not only necessary to alleviate our short-term energy emergency but also represents the correct beginning in attaining our long-term goals of energy self-sufficiency and reasonable energy costs for America. I want to emphasize that this proposal signals our willingness to trade with any producer of oil that is interested in supplying our Nation's energy needs in return for very good profits. It accepts, at least for 12 months subsequent to the implementation of this legislation, a substantial part of the oil price increase imposed on this country and the world by the OPEC nations. It merely asserts that, in view of the severe, continuing economic and financial distress caused in this country due to the enormously escalating oil prices, the United States cannot and will not be compelled to choose between bankruptcy or economic stagnation.

I fully recognize that this bill is a proposal addressed to our short-term, immediate emergency. It is designed to stabilize the costs of imported energy while we proceed to develop alternative sources of energy, eliminate energy wastes, and in other ways reduce our dependence on foreign sources of energy. I am strongly interested in tax incentives and other changes in law and regulatory policy which will encourage greater domestic production of the energy America needs. I intend to support reasonable conservation programs which will eliminate reckless waste of energy without discouraging the economic growth we must have to sustain our standard of living. As a member of the Senate and the Committee on Interior and Insular Affairs, I will be working with other Senators to develop a program which will accomplish these purposes.

In thinking about our energy problems and while listening to testimony presented during the current energy hearings of the Senate Interior Committee, I have become increasingly concerned about the availability and accuracy of basic economic and financial data which we need to develop a sensible and effective energy policy. I have this concern despite the fact that the Senate Interior Committee, the Federal Energy Administration, other governmental units, and private businesses and associations have been attempting to gather, analyze, and interpret this data for several years. It is my understanding, for example, that the actual cost to oil companies of acquiring oil has been difficult to establish and that such items as shipping costs are less than certain. Because of this con-

tinuing uncertainty about such basic information, I have written letters to Senator JACKSON, chairman of the Senate Interior Committee, and to the Government Accounting Office, and the Federal Energy Administration, requesting a renewed effort to secure more accurate data on the basis of which we can more confidently proceed in our developing of an energy policy. Mr. President, I ask unanimous consent to print the text of the bill I have introduced in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 680

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Emergency Petroleum Allocation Act of 1973 is amended by inserting immediately after section 4 thereof the following new section:

"Sec. 4A. (a) It is the purpose of this section—

"(1) to protect the domestic economy, by stabilizing the prices of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal, and

"(2) to encourage and protect investments in research, exploration, development, and production of the energy resources of the United States, and to reduce the prices of energy sources and products.

"(b) The President of the United States or his delegate shall, by regulation, specify, for crude oil, residual fuel oil, refined petroleum products, natural gas, and coal, the maximum and minimum prices which may be paid by the importer of such oil, products, gas, or coal purchases and imported into the United States on or after the expiration of the thirty day period following the date of the enactment of this section, except that for the twelve month period next following such date of expiration, the maximum and minimum prices which may be paid by such importer for any such crude oil purchased during such twelve month period shall be \$9.50 and \$ per barrel, respectively. With respect to the minimum price during such a twelve month period the President shall lower such price if world prices permit.

"(c) Any person who knowingly imports any crude oil, residual fuel oil, refined petroleum product, natural gas, or coal into the United States which was purchased by him at a price in excess of the maximum price or below the minimum price established by or pursuant to subsection (b) of this section shall be fined not more than \$100,000 or imprisoned not more than two years, or both.

"(d) If the price paid by the importer for any crude oil, residual fuel oil, refined petroleum product, natural gas, or coal includes amounts attributable to the cost of transportation to the United States (including insurance thereon), then, under regulations prescribed by the President or his delegate, for purposes of applying subsections (b) and (c), the price so paid shall be reduced by an amount equal to such cost.

"(e) The President of the United States or his delegate shall, by regulation, establish maximum and minimum prices for which the first sale or exchange, on and after the expiration of the thirty day period following the date of the enactment of this section, of domestic crude oil, residual fuel oil, refined petroleum products, natural gas, and coal may be made, except that for the twelve month period next following such date of expiration, the maximum and minimum prices which may be charged for the first sale or exchange of such domestic crude oil shall be \$9.50 and \$ per barrel, respectively.

"(f) (1) Any person who, with respect to the first sale or exchange thereof, knowingly

sells or exchanges domestic crude oil, residual fuel oil, refined petroleum products, natural gas, or coal at a price in excess of the maximum price or below the minimum price established by or pursuant to subsection (e) of this section shall be fined not more than \$100,000 or imprisoned not more than two years, or both.

"(2) In the case of any such exchange, the maximum and minimum prices shall apply to the total value of the goods and services asked, given, or received in exchange for such crude oil, residual fuel oil, refined petroleum product, gas, or coal.

"(g) In any case in which the President determines that any foreign country has willfully taken action the effect of which, directly or indirectly, is to place an embargo on, or otherwise curtail or restrict, exports to the United States of crude oil, residual fuel oil, refined petroleum products, natural gas, or coal, whether by means of pricing or otherwise, the President shall issue a proclamation to that effect. On and after the effective date of such proclamation and until the President determines that such embargo, curtailment, or restraint no longer exists—

"(1) the products of such country shall not be eligible to receive most-favored-nation treatment,

"(2) such country may not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and

"(3) such country shall not be eligible to receive foreign aid, military assistance, or any other assistance, financial or otherwise, under any law of the United States.

"(h) In establishing maximum prices for purposes of this section, the President shall take into consideration the state of the domestic economy and the United States balance of payments and, with respect to minimum prices, the President shall take into consideration the need to encourage and protect investments in research, development, and production in the field of energy.

"(i) Regulations of the President pursuant to this section shall provide that any reduction in the price of crude oil, residual fuel oil, refined petroleum product, natural gas, or coal resulting from the provisions of this section is passed through on a dollar-for-dollar basis to any subsequent purchaser, reseller, or final consumer in the United States. In the case of crude oil, such pass-through of price reductions shall, to the extent practicable and consistent with the objectives of this section, be allocated among products refined from crude oil on a proportional basis, taking into consideration historical price relations among such products.

"(j) As used in this section the term—

"(1) 'person' means any individual, or partnership, association, corporation, or other entity, or officer or director thereof;

"(2) 'domestic crude oil' means crude oil (including natural gas liquids) produced in the United States, or from the Outer Continental Shelf, as defined in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331)."

#### IN SEARCH OF A COMPROMISE ON THE OIL IMPORT FEE QUESTION

Mr. DOLE. Mr. President, last week I introduced an amendment to H.R. 1767. The objective of this amendment is to reach a meaningful and acceptable compromise between the proponents of the administration's oil import fee program and the opponents of that program, who would suspend the President's authority to impose such duties for 90 days

It is my observation that unless some middle ground can be found which is suitable to both the administration and those in the Congress who advocate suspension of the President's authority, a "sum zero" situation will result. Either the President will be able to muster enough votes to sustain a veto of the import fee suspension bill or the Congress will override a veto. In either case, one party loses and one party wins—with the net effect that another 3 to 8 weeks will be wasted before we begin to work constructively toward a solution to our critical problem of overdependence on imported oil.

On the other hand, if we could reach a compromise on an interim energy program by adopting a portion of the President's import fee plan, but temporarily suspending his power to increase the duties in excess of \$1 per barrel, then some of the main objectives of both sides could be realized.

My amendment attempts to accomplish that by freezing until April 30 the \$1 import duty instituted by the President on February 1.

Perhaps even more important than the obvious delay which would result from H.R. 1767 is the effect on public opinion of the failure of the administration and the Congress to reach an accommodation in this vital matter. While both sides believe they have the most persuasive arguments in their favor, one does not have to be an exceptionally astute political observer to realize that the vast majority of our citizens are more interested in the executive and the Congress working together to come to grips with this urgent problem than they are in specific reasons why the President's program should be enacted or the import fees suspended.

#### COMPROMISE ENDORSED BY BOTH SIDES

Over the past couple of weeks, spokesmen from both the administration and the Congress have expressed a desire to work together to initiate a workable, equitable energy conservation program.

The President has invited Congress to examine his program and offer modifications or improvements which it deems advisable.

Both the majority and minority leaders of the Senate—Mr. MANSFIELD and Mr. SCOTT of Pennsylvania—have expressed the need for cooperation in seeking workable solutions.

The chairman of the Senate Finance Committee (Mr. LONG) has spoken of the desirability of a compromise plan.

Just last Friday, the Director of the Federal Energy Administration alluded to a possible accord between the Congress and the White House on energy policy.

The Senator from Minnesota (Mr. MONDALE) has expressed an interest in compromise on the foreign oil import fee.

The Secretary of the Treasury, during his appearance before the Finance Committee last week, was also amenable to a reasonable compromise.

Both of the distinguished Senators from New York (Mr. JAVITS and Mr. BUCKLEY) have stressed the importance of avoiding a confrontation on this key issue.

And the Senator from Massachusetts (Mr. KENNEDY)—a principal sponsor of the Senate resolution to suspend the President's import fee authority—has indicated a desire to work with the President to develop energy policy.

Mr. President, I believe the time for compromise and cooperation is now. The amendment I have proposed is designed to offer both Congress and the administration the opportunity to arrive at a workable interim compromise on the matter of oil import fees.

Considering the lack of initiatives to achieve this so far, the various statements suggesting a willingness to strike a balance amount to only so much rhetoric. If we really mean what we say, then we need to move forward by adopting my amendment and truly coming together on middle ground.

According to the President's spokesmen, the administration does not favor this amendment. Perhaps, then, it is time for those in the Congress who favor the President's oil import fee program to take the initiative for the administration and work with opponents of the oil import fees to reach a compromise. Similarly, the opponents of the President's program who have talked about the need for cooperation would hopefully cooperate in a meaningful effort to effect a compromise on the issue.

To reiterate, my amendment would simply permit the \$1 per barrel crude oil import fee of February 1 to continue in effect. But it would suspend, until April 30, the President's power to impose any fee in excess of \$1 per barrel—thus putting off at least temporarily the \$2 and \$3 per barrel import fees the President has proposed for March 1 and April 1.

#### OBJECTIVE OF CONGRESS

The concern of the majority in Congress who are supporting the 90-day tariff suspension, as I understand it, is that ample time is needed to consider any energy proposal before its economic impact is felt. This compromise provides that time without significantly affecting the economy.

The \$1 per barrel fee would increase the cost of gasoline by only about a penny a gallon. By permitting the temporary imposition of a \$1 per barrel fee, there is a little likelihood of serious economic dislocation pending congressional consideration of a more comprehensive energy conservation program.

Contrary to some speculation, the \$1 per barrel fee will not cost billions of dollars. For example, the total revenue collected over a 90-day period from \$1 per barrel fee is estimated to be only around \$350 million.

Moreover, no one section of the country will be forced to bear an inordinate share of the burden.

The New England States, for example—which rely heavily on imported petroleum—import mainly crude products, not unrefined crude oil. And previously, the Federal Energy Administration's "crude equalization" or "entitlement" program gave them a 60-cent-per-barrel subsidy on imported refined products.

Under the first stage of the President's duty program, this subsidy on imported

products was ended, having roughly the same effect as the \$1-per-barrel fee on imported crude. Thus, the New England States may actually feel a lesser impact than other portions of the Nation.

Also, under the amendment I have offered, the President will be prohibited from imposing the 60-cent- and \$1.20-per-barrel increase on imported crude products, as scheduled for March 1 and April 1. This would be true of the fee increases to \$2 and \$3 per barrel on crude as well.

#### PRESIDENT'S OBJECTIVE

The goal of the President with his import duty order, as I understand it, is to keep pressure on the Congress to expedite passage of a comprehensive solution.

The senior Senator from Louisiana (Mr. LONG) has expressed his support for this tactic in the Senate on February 11 when he said:

One thing that appears to me about the President's action is that at least it puts the pressure on Congress to do something, and I am hopeful that, with the result of what the President has done, the debates occurring, and the matters being considered by both sides of the aisle, we will wind up making a constructive contribution towards solving the energy program.

I submit that this compromise will keep the collective feet of Congress to the fire nearly as much as the President's plan to increase import duties to \$2 per barrel and then \$3.

A \$3-per-barrel tariff would raise the price of gasoline by about 3 cents per gallon. A 3-cent-per-gallon increase would not have much more conservation effect than 1 cent per gallon. Yet the compromise would permit the President to proceed with some energy conservation initiative and keep the obviously necessary pressure on us in Congress to act expeditiously and constructively on the matter.

My amendment gives Congress the initiative in making a meaningful compromise with the executive branch. And if the President is sincere about compromise—and I believe he is—he should be willing to sign the bill as amended by this proposal.

Mr. President, I believe that the compromise I have proposed is both equitable and workable. It serves the objectives of those opposed to the President's program by delaying imposition of higher import fees until April 30. At the same time, it serves one of the President's objectives—to expedite enactment of a comprehensive energy conservation program. And it asks no segment of the population or section of the country to bear an unfair burden while a long-range program is developed by the Congress.

Hopefully, this compromise amendment will signal to the citizens of this country the beginning of a joint, cooperative effort between the administration and the Congress to find effective and equitable solutions to this Nation's economic and energy problems.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

## AMENDMENT No. 11

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) during the period beginning on February 1, 1975, and ending on April 30, 1975, the President may not take any action under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) or any other provision of law to adjust imports of petroleum or its derivatives in to the United States.

(b) Except as specifically provided in subsection (c), any action taken after January 22, 1975, and before the date of enactment of this Act by the President under such section 232(b), or any other provision of law, for the purpose of adjusting imports of petroleum and petroleum products into the United States, shall cease to have effect on the date of enactment of this Act.

(c) Any fees and supplemental fees for allocation and licenses imposed by action taken by the President for the purpose of adjusting imports of petroleum and petroleum products under such section 232, and in effect on the date of enactment of this Act, shall continue in effect to the extent that the sum of such fees and supplemental fees imposed per barrel does not exceed—

(1) \$1.21, with respect to imports of crude oil and natural gas products, and

(2) \$0.63, with respect to imports of motor gasoline, unfinished oils, and all other unfinished products (except ethane, propane, butanes, and asphalt).

SEC. 2. The first section of this Act ceases to apply if, during the ——— period referred to in the first section of this Act—

(1) the Congress declares war,

(2) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

(3) a national emergency is created by attack upon the United States, its territories or possessions, or its Armed Forces,

(4) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers Resolution (50 U.S.C. 1453(a)), or

(5) there is a substantial change in the conditions of trade with respect to petroleum and petroleum products which has an adverse effect on the United States and is caused by—

(A) an increase in the average per barrel price in excess of 25 percent, determined over a one week period, of imports of petroleum and petroleum products into the United States, or

(B) a decrease in the average barrel volume in excess of 25 percent, determined on the basis of a one week period, of imports of petroleum and petroleum products into the United States.

#### ACTIVITIES AND ACCOMPLISHMENTS OF CONGRESS PLACED IN PROPER PERSPECTIVE

Mr. CANNON. Mr. President, the administration in recent weeks has been trying to convey the impression that the month-old 94th Congress is a "do nothing Congress" because it has not immediately rubberstamped administration proposals in the complex and crucial areas of the economy and energy.

This has been a misleading picture of congressional activities and in the process, obscures the legitimate role that the Congress plays as a separate and independent branch of the Government.

To place the activities and accomplishments of Congress in the proper per-

spective, I ask unanimous consent to have printed in the RECORD an article by Spencer Rich of the Washington Post, dated February 14, 1975.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### CONGRESS HAS LED IN MAJOR PROGRAMS (By Spencer Rich)

Although it is fashionable to declare that Congress by its very nature lacks the capacity for leadership on national issues, the fact is that many of the most important national programs and policies of recent years have been initiated on Capitol Hill and forced on an unwilling President.

In recent days President Ford has accused Congress of obstruction, of delaying presidential initiatives without developing programs of its own. And, to be sure, Congress moves slowly, possesses an unbelievable capacity for quibbling and political showboating, argues an issue and chews it over 100 times before digesting it, compromises on everything, makes backroom deals and takes numerous undeserved vacations.

But despite all these failings, it is Congress and not the White House that has initiated and nurtured:

Medicare.

Social Security disability insurance.

Pension reform.

The 18-year-old vote.

Political campaign reform.

Clean air and auto-pollution controls.

The Indochina war cutoff.

Key laws against dangerous chemical additives in foods.

Consumer product safety and warranty laws.

Much of the landmark civil rights legislation that Lyndon B. Johnson pushed to passage when he became President.

Major Social Security benefit increases.

Still-to-be-passed proposals for no-fault auto insurance and for a federal agency to argue the consumer position before rulemaking agencies.

Mandatory auto safety standards.

Major investigations of gangsterism, labor racketeering, the drug industry and multinational corporations.

Recent improvements in food programs for the poor and in the minimum wage.

Congress leadership was demonstrated in the way the Senate Foreign Relations Committee, headed by then Sen. J. W. Fulbright (D-Ark.), publicly took up the antiwar cause as early as 1965, gave it publicity and respectability through hearings, uncovered covert military operations elsewhere in Indochina and exposed the inconsistencies in the White House's reports on the Gulf of Tonkin incident.

The committee's activities played a large role in crystallizing public opinion against the war.

This, in turn, helped press both Johnson and Richard M. Nixon to seek a negotiated end, and to brake escalation of the U.S. military effort. In 1973 Congress legislated a flat cutoff of all U.S. military combat activities in Indochina.

The evolution of Medicare—federal medical insurance under Social Security for persons over 65—is another illustration of congressional initiative.

In 1957 a Rhode Island congressman on the Ways and Means Committee, Aime J. Forand (D), sponsored a Medicare bill with the backing of the AFL-CIO and medical and welfare groups. The Forand bill won Senate sponsorship from John F. Kennedy (D-Mass.), but was opposed by the Eisenhower administration and by the 1960 GOP presidential nominee, Nixon. Congressional Democrats pressed it, however, and Kennedy made it an issue in his 1960 presidential campaign. It was enacted in 1965.

Pension reform is another good example. It was pioneered in Congress by Chairman Harrison A. Williams (D-N.J.) and senior Republican Jacob K. Javits (R-N.Y.) of the Senate Labor Committee, faced strong opposition from the White House on many major safeguards, but finally was passed despite continued White House misgivings.

The 18-year-old vote had broad support, but the White House under President Nixon wanted it accomplished by a constitutional amendment, which would have taken years. Sen. Edward M. Kennedy (D-Mass.) had the idea of attaching it to a 1970 bill extending a major civil rights law. Majority Leader Mike Mansfield (D-Mont.) took up the thought and engineered a successful Senate vote, the House accepted it, and the President—after some hesitation finally signed it.

Kennedy and Senate Minority Leader Hugh Scott (R-Pa.) were also the chief advocates of public financing for presidential elections, enacted by the last Congress despite White House opposition. And it was Kennedy who, a year ago, initiated the drive for tax cuts to stimulate the economy, which has now been endorsed by everyone, including the White House.

The consumer protection agency bill, drawn from an idea first espoused by the late Sen. Estes Kefauver (D-Tenn.), became a Rosenthal (D-N.Y.) and Sens. Abraham A. Ribicoff (D-Conn.) and Warren G. Magnuson (D-Wash.) put the idea in its present form and started a campaign for passage. White House opposition and business-backed filibusters have killed it so far, but enactment by this Congress appears likely.

In sum, Congress was designed by the Founding Fathers to operate slowly, with deliberation and with compromise, and it is not structured to rush controversial proposals through smoothly. But it gets a lot of input from the public, and its stumbling, brooding deliberations often result in important new ideas and initiatives unconceived by a President, despite all his direct power and advisers.

#### SENATOR MCINTYRE'S REACTION TO GENERAL BROWN'S REMARKS

Mr. McGEE. Mr. President, the distinguished senior Senator from New Hampshire (Mr. McIntyre) recently delivered what I consider to have been an exceptional speech before the Jewish Community Council in Boston, Mass.

In his remarks, Senator McIntyre explained his reasons for aggressively pursuing the case of Gen. George S. Brown, Chairman of the Joint Chiefs of Staff, whose remarks at Duke University Law School forum last October 10 concerning the Jewish lobby in this country touched off considerable controversy.

As my colleagues are well aware, the distinguished Senator from New Hampshire was very deeply disturbed over the remarks made by General Brown. His speech in Boston, therefore, gives an insight into, and appreciation for, the reasons Thomas McIntyre took up the cudgels in the Brown case.

For example, my friend and colleague noted in his speech:

The long established principle of civilian control over the military is at the very foundation of our system of democratic self-government, and whenever a spokesman of the military, and particularly a spokesman as high-ranked as General Brown, injects himself and his views into what must remain civilian domain, it assaults and weakens that crucial principle. And in this instance, the violation was as dangerous as it was improper.

As I am sure my colleagues will agree, contrary to his own remarks in his speech, THOMAS MCINTYRE is not given to knee-jerk reactions to issues and controversy. Consideration and reflection go into the formulation of his responses and position.

He made several poignant observations during his speech, many of which I personally appreciated. Although not a native of New England, I, too, was raised in small-town America and benefited immensely from those values—an advantage which was further enhanced, I might add, when I arrived at the University of Wyoming in the late 1940's as a university professor.

In this connection, Tom noted:

Indeed, because we are what we are, I believe we have an obligation to go beyond speaking out against bigotry, I believe we are obliged to encourage the preservation and strengthening of cultural, ethnic and religious identification in this country.

I said I was from small-town America, and I'm keenly aware of the stereotyped image of small towns—narrow, provincial, clannish and spiteful.

But if you've ever lived in a small community, you know it can be something else. It can be America in microcosm, a concentrate of where the unavoidable intimacy of people-to-people relationships can instill an abiding appreciation of the richnesses of difference.

America's melting pot was never supposed to distill a bland and homogenized people. It was supposed to brew a strong broth of diverse cultures, nationalities and faiths, where every flavor retained its distinctiveness yet accented and complemented all the others.

Some small towns brew that kind of broth. And I was lucky enough to sip from it.

I was struck very deeply by this observation. Tom's reflection was a restatement of some very basic and important values of this society—values which we often take for granted and in some instances forget. It is apparent that THOMAS MCINTYRE has never lost sight of this. He knows where he has been and he never loses sight of where he is going.

With this background, one gains a greater appreciation for the focal point of his remarks when he said:

I will never really know what it is to be Jewish, just as you will never really know what it is to be Irish and Catholic.

But that doesn't stop me from appreciating what you have meant to this beloved country we share.

In proportion to your numbers, no other group of Americans has given more of itself to the advance of science, literature, and the arts. Your contributions to medicine, psychiatry, music, poetry, novels, economics, education and entertainment are the enduring evidence of what my fellow Catholic Frank Getlein contends is the real Jewish "plot."

"When you begin to put all these pieces together," Getlein wrote not long ago, "you begin to see the broad outlines of the Jewish plot. Those Jews are out to civilize the rest of us, to refine our taste, broaden our minds, raise our thoughts from getting and spending to humane values and enduring truths."

I want to commend the distinguished senior Senator from New Hampshire for a most eloquent, yet elemental lesson in history that he has given all of us. For, in essence, THOMAS MCINTYRE was not only coming to the defense of the Jewish

race, he was coming to the defense of us all. And that is what this Nation is all about.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### THE REAL JEWISH "PLOT"

(By U.S. Senator THOMAS J. MCINTYRE)

President Schlossberg, Executive Director Brown, members of the Jewish Community Council, guests and friends:

I want you to know that I am flattered by the opportunity to speak to you today—that I know what prompted your invitation—and that I am still surprised at finding myself in the middle of the controversy that led to this occasion.

I say "surprised" because in many respects this was an unlikely role for Tom McIntyre. I am not, by nature, a wave maker. Neither am I a super-liberal, an anti-militarist, a professional champion of causes, nor an expert on Israel and the Middle East.

My politics are those of a "gut" moderate. My nationality is Irish. My religion is Catholic. And my origin is small town.

So I suppose this begs the question of why Tom McIntyre, of all people, went to the mat over General Brown, when traditional firebrands in Congress—including some with White House ambitions—seemed willing to let the issue die.

Well, my friends, I have asked myself that question, asked it a hundred times. I think I know why.

But before I try an answer, let's do a quick review of what has come to be known as "The General Brown Incident." Last October 10, General George S. Brown, Chairman of the Joint Chiefs of Staff, the highest ranking military officer in the country, delivered a prepared speech at the Duke University Law School Forum.

Following the speech, the General answered a number of questions from the audience, and the answer he gave to the last question—who asked if the United States was contemplating the use of force against the oil producing Nations—kicked off a public uproar when the press learned of it more than a month later. Recorded by a student and never denied or corrected, the General's answer was as follows:

"Now, in answer to the question of would we use force in the Middle East, I don't know." The General should have stopped right there. But he didn't. He went on to say:

"I hope not. We have no plans to. It is conceivable, I guess. It's kind of almost as bad as the 'Seven Days in May' thing. But you can conjure up a situation where there is another oil embargo and people in this country are not only inconvenienced and uncomfortable, but suffer and they get tough-minded enough to set down the Jewish influence in this country and break that lobby."

"It's so strong you wouldn't believe now," the General said of the lobby. "We have the Israelis coming to us for equipment. We say we can't possibly get the Congress to support a program like that. They say, 'Don't worry about the Congress. We'll take care of the Congress.'"

"Now this is somebody from another country," Brown added, "but they can do it. They own, you know, the banks in this country, the newspapers, you just look at where the Jewish money is in this country."

So spoke General Brown.

His words were first published in the Washington Post on November 13, and once they appeared in print, President Ford summoned the General to the White House and

told him he thought his remarks were "ill-advised and poorly handled."

Defense Secretary Schlesinger called the General's words "unfortunate and regrettable."

And the General himself? Well, the General said his remarks were, and I quote: "unfounded and all too casual" and, he said, "certainly do not represent my convictions."

Now this is the man whom Time magazine described as, quote: "A cool, articulate and politically savvy professional soldier"—unquote, and somehow I could not square that description with what he said at Duke Law School, nor could I accept whole cloth his excuse that his remarks did not represent his convictions.

Now I am not going to pretend to you that I immediately recognized the Big Lie about Jewish control of the Nation's banks and newspapers when I read the General's words. Frankly, I had no idea that Jews are the principal stockholders or owners of only three percent of the country's newspapers, or that less than one percent of the directors and top officers of U.S. commercial and savings banks are Jewish.

But there was something so familiar and chilling about the General's sweeping charge that it made me think through the full implications of everything he said in that infamous response.

So now let me try to tell you why Tom McIntyre decided to step out of character, jump into this issue and stir up some waves. Part of it was a reasoned response that was triggered by practical experience as a United States Senator and, more specifically, as an 11-year member of the Senate Armed Services Committee.

But part of it was gut-level, and that, my friends, came right out of my national, religious and geographic origin.

On the reasoned level, I concluded that the General's claim that the Jewish lobby's influence was not only pervasive, but indeed inexorable flatly impugned the integrity of the Congress of the United States.

Joseph Califano put it another way. He said, "Does the General believe that collective Congressional motivations are so simple-minded?" Anyone who has dealt with the Congress must recognize how demeaning General Brown's remarks are to Senate and House members."

Califano is right. But there's more to it than that. Of course, there is a pro-Israel lobby. And it's strong. But it's strong because it reflects not only the will of the majority of Jewish-Americans, it reflects the will of a strong majority of all Americans.

I am going to return to that point, but for now let me make one additional observation from the viewpoint of someone who appreciates the real irony in General Brown's alleged awe and fear of the Jewish lobby.

As a Senator who has long been involved in fighting the "politics of oil" I can tell you that the influence of Big Oil is far more insidious, and far more pervasive, than the influence of the Jewish lobby, for oil and influence seep across ideological as well as party lines without public approval or support.

And as a veteran member of the Armed Services Committee, I can also tell you that when it comes to clout with the Congress, the Jewish lobby isn't in the same league with General Brown's own lobby—the Pentagon and the Defense establishment. I make that flat assertion, my friends, without fear that anyone can stick Tom McIntyre with being anti-military or anti-strong national defense.

The power of the Pentagon lobby is simply, and unhappily, a demonstrable fact of life, colorfully—but accurately—described by Frank Getlein in the Washington Star of November 22.

"It was," Getlein wrote, "the sheerchutzpah—if he'll pardon the word—of the Chairman of the Joint Chiefs of Staff complaining about the influence of anyone at all in Congress. It was as if the National Education Association had warned against the lobbying of the AFL-CIO."

"In the history of the institution," Getlein went on, "no one has had such an influence upon Congress as have the Joint Chiefs in the last quarter-century. Regularly, they march up the Hill, terrify Congressmen with visions of what diabolical engines the Russians may very well be contemplating the creation of, and march back down the Hill, the key to the Treasury secure still, once more and forever in their old kit bag."

And beyond the irony expressed so well by Mr. Getlein lies still another irony. General Brown has been as silent about our supplying arms to Jordan, Lebanon, Iran, Saudi Arabia, Kuwait and Oman as he was noisy about our supplying arms and equipment to Israel.

Well, maybe I am too dense to understand the subtleties of our current Middle East policy, but I can't help but feel that the quickest way to get General Brown into the war he says he wants to avoid is to arm to the teeth every country in that part of the world!

Now please don't misunderstand. I think General Brown ought to keep his mouth shut in public about foreign policy, no matter what he thinks of it. So I think he is as right to keep silent on arms to Jordan, Lebanon, Iran, Saudi Arabia, Kuwait and Oman as he was wrong to spout off about Israel.

The long established principle of civilian control over the military is at the very foundation of our system of democratic self-government, and whenever a spokesman of the military, and particularly, a spokesman as high-ranked as General Brown, injects himself and his views into what must remain civilian domain, it assaults and weakens that crucial principle. And in this instance, the violation was as dangerous as it was improper.

Again, Joseph Califano examines its consequences:

"Thus," Califano wrote, "in the context of the most explosive situation in the world today—the one situation most likely to precipitate a major war involving not only the Israelis and the Arabs, but our country and the Soviet Union—the Chairman of the Joint Chiefs vented his spleen on the Israelis, the Arabs, the American Jews, the Congress, and informed the world that he didn't intend to go to war in the Middle East,"—end of quote.

Now it's important to remember here, as Califano and others have pointed out, that the General's remarks were heard by the American public, the Israelis, the Arabs, the Russians, the United Nations, the President and the Secretaries of State and Defense.

And what did this do for his credibility as the ranking officer of the country?

A few days after the Post printed his remarks, the Pentagon took issue with a report by Israel's Prime Minister that the Soviets were unloading arms from some 20 ships in a Syrian port. The Pentagon claimed the number of ships was normal and that, contrary to what the Israeli Prime Minister said, only a few of the ships were unloading arms.

Who are we to believe? General Brown? Or the Prime Minister?

Now I said earlier that my decision to plunge into this issue was part reasoned response and part gut reaction.

I've just detailed the factors behind the reasoned response: In sum, I felt that the General had insulted and impugned the Congress, had played fast and loose with facts, had violated the principle of civilian control over the military, had improperly and dangerously intruded in the delicate

field of foreign policy, and had damaged his credibility beyond repair.

None of this directly applies to the other side of the coin in this appalling incident—the anti-Semitism, however much denied, that is implicit in what the General said.

And this is where gut reaction took over.

For the life of me, my friends, I cannot understand how any Irish Catholic could be insensitive to anti-Semitism, wherever it rears its ugly head.

Having felt the historical burden of oppression and discrimination ourselves—from Ulster to early-day Boston-back to Ulster and beyond—we Irish-Catholics betray our heritage every time we ignore, tolerate or encourage bigotry of any kind!

Indeed, because we are what we are, I believe we have an obligation to go beyond speaking out against bigotry. I believe we are obliged to encourage the preservation and the strengthening of cultural, ethnic and religious identification in this country.

I said I was from small-town America. And I'm keenly aware of the stereotyped image of small towns—narrow, provincial, clanish and spiteful.

But if you've ever lived in a small community, you know it can be something else. It can be America in microcosm, a concentrate where the unavoidable intimacy of people-to-people relationships can instill an abiding appreciation of the richness of difference.

America's melting pot was never supposed to distill a bland and homogenized people. It was supposed to brew a strong broth of diverse cultures, nationalities and faith, where every flavor retained its distinctiveness yet accented and complemented all the others.

Some small towns brew that kind of broth. And I was lucky enough to slip from it.

So for all of these reasons—some cerebral, some visceral—I decided that I had no choice but to call for General Brown's resignation.

On November 15, before the Armed Services Committee, I said:

"When the ranking military officer of the United States slanders one element in the spectrum of the American people by hauling up the long-discredited myth about Jewish control of the Nation's banks and press—when he deliberately uses that myth in a wholly improper attempt to influence foreign policy—when his remarks encourage those who would make the Jewish community the scapegoat for our energy predicament—when he thus reveals abysmal insensitivity and a woeful misunderstanding of what this country is all about—then he has forfeited claim to the public's trust, respect and support and has so weakened national security."

"For the good of the country he has sworn to serve as an officer and a gentleman, General Brown should tender his immediate resignation."

And then I added that "if that resignation is not forthcoming, then I, as a member of the Armed Services Committee, will recommend to the Chairman that the Committee conduct a full scale inquiry into General Brown's attitudes as they affect his fitness for the office he now holds."

Now let me refresh your memories a bit. At the time I issued that call for the General to resign, much of the American-Jewish community was up in outraged arms.

The Anti-Defamation League of B'nai B'rith called for the General's dismissal, the American Jewish Congress issued similar comments, a number of Congressmen issued heated condemnations of Brown's remarks, and I, along with many other Senators, was hearing from Jewish constituents as I had rarely heard before.

I specifically recall an anguished telephone message from my former press secretary, a man whose wife still carries a concentration camp tattoo. He said his wife's blood ran cold when she heard what the General had said.

But that was all on or around mid-November.

On November 19, the Washington Post reported that a group of American Jewish leaders met privately with Defense Secretary Schlesinger and—quote: "apparently decided not to press for the resignation of General George S. Brown as Chairman of the Joint Chiefs of Staff."—end of quote.

Suddenly I found myself all alone on the firing line, and in my naivete, I didn't understand why. But by the time the Armed Services Committee met on November 25, to consider my request for a full inquiry into the General Brown case, I was able to recognize what had happened . . . and say this in my statement to the Committee:

"Since I issued my call for General Brown's resignation, it has become evident to me that some members of an immediately outraged American Jewish community have developed second thoughts about the General's removal from office."

"I find this completely understandable. Were the General to tender his resignation, or be ordered to do so, some elements of the American public inevitably would interpret this as further evidence of the alleged inexorable power of the Jewish lobby."

But then I went on to say:

"The Jewish community's sensitivity to this potentiality must be acknowledged, but it should not be used as an excuse for this Committee to back away from the issue."

"Let me put it this way," I said. "Had General Brown maligned the American Catholic community by using discredited myths to describe its lobbying power, my reaction might well have been that of many of my Jewish friends—initial outrage, followed by second-thought reservations about an overkill backlash."

"But deep in my heart," I continued, "I think I would know that sweeping this issue under a convenient rug would be neither in the best interests of the American Catholic community, nor in the best interests of national security."

I concluded this part of my statement by saying: "And I would hope—despite my fears of a public opinion backlash—that some member of this Committee who was not a member of the American Catholic community, say a Presbyterian like the distinguished Senator from Washington, or a Baptist, like the distinguished Senator from South Carolina, or an Episcopalian, like the distinguished Senator from Colorado, would press on for a resolution of this issue because to do so was right."

Well, my friends, you know what happened. My call for a full-scale inquiry into General Brown's fitness to hold his office was voted down in Committee by a vote of 11 to 4, and as Meg Greenfield put it in the Washington Post, the issued seemed to come to an end—"in sudden, unnatural silence."

But had it come to an end?

Not as far as Tom McIntyre is concerned.

I've never had any doubts about the moral rightness of what I tried to do. And if I ever had any doubts about my practical judgment of General Brown's fitness for the job, they were dispelled earlier this month when the General embarrassed and reportedly angered Secretary of State Kissinger by *not informing Kissinger in advance* that a Navy carrier task force had been directed to sail toward Vietnam and then denying the ships were headed for Vietnamese waters.

I have no personal vendetta against the General. But I can promise you now that I'll be keeping a very close eye on what he does and what he says as long as he's Chairman of the Joint Chiefs of Staff.

And now, in closing, let me tread lightly into the most sensitive aspect of the General Brown case.

If by my persistence in pushing the issue to the Committee vote I put the American

Jewish community in a painful dilemma, I want you to know that was not my intention.

In the time that has elapsed since November, I have learned to appreciate the insight behind these words by Meg Greenfield: "The Jews," she wrote, "are too wary, too untrusting, too scarred and too certain of their ultimate aloneness to tell the General Browns of this world what is really on their mind."

I appreciate that insight. But I cannot surrender to what it implies.

For if I had one purpose in coming here today, it was to do what little I could to ease your wariness, encourage your trust, and let you know that you are *not* alone in America.

I will never really know what it is to be Jewish, just as you will never really know what it is to be Irish and Catholic.

But that doesn't stop me from appreciating what you have meant to this beloved country we share.

In proportion to your numbers, no other group of Americans has given more of itself to the advance of science, literature and the arts. Your contributions to medicine, psychiatry, music, poetry, novels, economics, education and entertainment are the enduring evidence of what my fellow Catholic Frank Getlein contends is the real Jewish "plot."

"When you begin to put all these pieces together," Getlein wrote not long ago, "you begin to see the broad outlines of the Jewish plot. Those Jews are out to civilize the rest of us, to refine our taste, broaden our minds, raise our thoughts from getting and spending to humane values and enduring truths."

Getlein is right. And every thinking American knows it.

So let me leave you with a question which I hope will not offend.

With such credentials, with such a valid cause, and in a time when America is listening more than ever before to the just claims of individuals and of ethnic, religious and cultural groups, is discretion on the part of the American Jewish community *really* the better part of valor? Is the fear of arousing anti-Semitism more dangerous in the long run than stronger self-assertion now?

I don't know. And perhaps the question itself is presumptuous and irrelevant.

I raised it only because of my deep respect for you, my lasting appreciation of you, my abiding wish for your security, your happiness and well-being.

#### SCIENTIFIC AND TECHNICAL COOPERATION AGREEMENT BETWEEN GULF OIL CORP. AND SOVIET UNION

Mr. HUGH SCOTT. Mr. President, James E. Lee, president of Gulf Oil Corp., a Pittsburgh based firm, is presently meeting in Moscow with high Soviet officials to discuss scientific and technical cooperation in five petroleum-related areas. Discussions with Soviet ministers will cover geology, exploration, production, and transmission of petroleum, petroleum refining and petrochemicals, chemicals and synthetic fuels. I ask unanimous consent that a fact sheet outlining these meetings be printed in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

##### FACT SHEET

Subject: James E. Lee, president of Gulf Oil Corporation to visit Union of Soviet Socialist Republics.

Dates: February 16 through 20, 1975.

Purpose: Discuss scientific and technical cooperation in five areas.

Personnel: Hopefully, to meet with Leonid Brezhnev, secretary of the Soviet Communist

Party, and Aleksei Kosygin, premier. Will meet: Vice Chairman, State Committee on Science and Technology Dzhermen Gvishiani to re-sign Russian and English versions of October 3, 1974 "Umbrella" Agreement.

Will meet and sign protocols with: Minister of Geology, Minister of Petroleum, Minister of Petroleum Refining and Petrochemical Industries, Minister of Chemical Industries, and Minister of Coal Industry.

Will also meet with: Minister of Foreign Trade and Minister of GOSPLAN (State Planning Commission).

Documents: Five protocols—Protocol on Scientific and Technical Cooperation in field of Geology, Protocol on Scientific and Technical Cooperation in the field of exploration, production and transmission, Protocol on Scientific and Technical Cooperation in the field of Petroleum Refining and Petrochemicals, Protocol on Scientific and Technical Cooperation in the field of Chemicals, and Protocol on Scientific and Technical Cooperation in the field of Synthetic Fuels.

Previous Documents: U.S.-U.S.S.R. economic agreements signed in May 1972. Scientific and technical cooperation agreement between Gulf Oil Corporation and Soviet Union signed October 3, 1974.

Areas of Discussion: Geology, Exploration, production and transmission, Petroleum refining and petrochemicals, Chemicals, and Synthetic fuels.

Importance: The step in negotiations toward economic detente would include a follow-up to the protocols through a letter from Mr. Dorsey to appropriate Soviet ministers which would state Gulf's proposed next step.

In the final agreements, Gulf would make minimal investments other than the provided technology and would benefit through possible technology from the Russians as well as payment for Gulf technology through Russian oil, gas, intermediate petrochemicals, etc. This arrangement should provide products for the Western World and assist in the balance of payments.

#### PRECEDENT FOR INTERNATIONAL COURT OF JUSTICE FURTHER SUBSTANTIATES NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, critics of the Genocide Convention have often argued that there is no precedent for the United States to submit its citizens to the International Court of Justice. Article IX of the convention states:

Disputes between the Contracting Parties relating to the interpretation, application or fulfillment of the present Convention, including those relating to the responsibility of a State for genocide or for any of the other acts enumerated in article III, shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

The Congress of the United States has indeed set a precedent that would submit the parties in dispute to the International Court of Justice. On November 2, 1967, the Senate ratified the Supplementary Convention on the Abolition of Slavery. Article X of this convention states that disputes between the contracting parties are to be submitted to the International Court of Justice for adjudication. This is clear precedent for article IX of the Genocide Convention.

It is clear from this comparison that ratification of the Genocide Convention would not contradict basic American policy. Mr. President, I urge speedy Senate ratification of the Genocide Convention Accords.

#### RECENT DEVELOPMENTS IN THE AWACS PROGRAM

Mr. CANNON. Mr. President, there have been stories appearing recently in the press regarding the AWACS program, as well as other developments which I will comment on, which I believe require explanation in order to clarify the record as to the status of this program.

To review some background, last year the House-Senate authorization conferees approved funds for procurement of the first six AWACS radar warning and control airplanes for the Air Force. At the same time, the conferees retained a requirement in the law that the Secretary of Defense had to certify to Congress that AWACS was a cost-effective program and that it would meet the mission needs and requirements of the Department of Defense.

This requirement originally had been recommended by the Senate Armed Services Committee. It was made in light of contentions by the GAO that the AWACS radar could be jammed easily by an enemy and that, therefore, the AWACS effectiveness as a warning and command-control aircraft could be countered simply and at low cost.

The committee also had recommended that the Secretary of Defense establish an independent group of electronics countermeasure—ECM—experts to review the conflicting claims of the Air Force and to the GAO regarding AWACS ECM vulnerability.

During the ensuing months since the fiscal year 1975 authorization was completed last July, the ECM panel has completed its work and the results and findings have been evaluated within the Defense Department. Secretary Schlesinger testified before the Senate Armed Services Committee on February 5, 1975, that he expected to issue his certification on the AWACS program within the very near future. This certification was sent to the Congress last Friday, February 14, 1975.

Well before Secretary Schlesinger testified to the committee regarding AWACS, the committee had been contacted by Senator EAGLETON regarding his concern that the Department might issue the certification and then immediately proceed to sign the AWACS production contract before the Congress had any chance to review the certification and the reasons for it. Because I agreed with the distinguished Senator from Missouri (Mr. EAGLETON) that those in Congress interested in the AWACS program should have a chance to review the certification, I wrote to Secretary Schlesinger on January 31, 1975, and asked that time be allotted for congressional examination before that production contract was signed.

I might add that it is my intent to hold a hearing before the Tactical Air Power Subcommittee to review this program and that I will be calling representatives from the ECM panel, the GAO, the Defense Secretary's staff, and the Air Force, so that we can get the facts on the table and, hopefully, can resolve the claims and counterclaims which are being made regarding AWACS. I also have invited Senator EAGLETON to join

the subcommittee when we hold that particular hearing, which is scheduled for March 6, 1975.

With this background on the recent events which have taken place, I was more than a little surprised to see an article appear in the New York Times of February 13, 1975, which alleges that I was planning on receiving a private briefing in the Pentagon and unilaterally approving a go-ahead on the production contract. That assertion in the New York Times article is totally false and without foundation, and I will add that I was not contacted by the author of the article about those allegations before—or after—they were printed. I think that my recent correspondence on AWACS, plus my comments today, should make it totally plain that there was no basis for the Times' statements.

Mr. President, I ask unanimous consent to print in the RECORD at the conclusion of my remarks, first, my letter to Secretary Schlesinger of January 31, 1975, requesting time for a congressional review of AWACS, and second, my letter of February 12, 1975, inviting Senator EAGLETON to participate in the Tactical Air Power Subcommittee hearing on AWACS.

As a final point, it should be pointed out that press reviews of the AWACS program are not always unfavorable. Therefore, I ask unanimous consent to have printed in the RECORD both the article from the Times of February 13, 1975, and also an article from the February 1975 issue of the magazine Government Executive, which takes an opposite viewpoint on the AWACS.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., January 31, 1975.

HON. JAMES R. SCHLESINGER,  
Secretary of Defense,  
Department of Defense,  
Washington, D.C.

DEAR MR. SECRETARY: I am informed that your certification of AWACS mission effectiveness and cost effectiveness is imminent and may be sent to the Congress next week. I also am informed that an AWACS production contract (letter contract) also possibly could be signed at that time.

In view of the on-going controversies over this program, it is my belief that the Congress should have a short, but reasonable, time within which to review the report of the ECM panel and other issues which have been raised regarding this program.

Accordingly, I am requesting that the full production contract not be executed until the Tac Air Subcommittee has made its review. This would not prevent continued long lead funding of the AWACS production.

Sincerely,

HOWARD W. CANNON,  
Chairman, Tactical Air Power Subcommittee.

FEBRUARY 12, 1975.

HON. THOMAS F. EAGLETON,  
U.S. Senate,  
Washington, D.C.

DEAR TOM: I intend to hold a hearing on the AWACS program to review the ECM and vulnerability issues as soon as the Secretary of Defense issues his certification on the mission and cost-effectiveness. I intend to call Dr. Smith, who headed the ECM panel, plus representatives of the DDR&E, the Air Force, and the GAO.

In view of your interest and concern on AWACS, I am offering you the opportunity

to participate in the Subcommittee's hearing on the program, either as a witness if you would like to present testimony, or as a guest member of the Subcommittee to allow you to question the people who will testify.

Please let me know your desires on this matter, and I will keep you advised as to the schedule for our review.

Sincerely,

HOWARD W. CANNON,  
Chairman, Tactical Air Power Subcommittee.

[From the New York Times, Feb. 13, 1975]

PENTAGON TO URGE AIR RADAR SYSTEM—  
SCHLESINGER WANTS CONGRESS TO PROVIDE  
\$4 BILLION FOR BOEING PLANES

(By John W. Finney)

WASHINGTON, February 12.—Sometime this week Defense Secretary James R. Schlesinger will send to Congress a letter seeking to justify the construction of a squadron of airborne radar command posts at a cost of about \$4-billion.

If all goes according to plan, the letter will be followed by an urgent private briefing at the Pentagon for Senator Howard W. Cannon, Democrat of Nevada, the chairman of the Senate Armed Services Subcommittee on Tactical Air Power who is also a major general in the United States Air Force Reserve. If, under the plan, Senator Cannon consents, the Defense Department would quickly enter into a contract with the Boeing Company to build for the Air Force the first six of the planned 31 airborne warning and control system planes, known as AWACS.

The Pentagon, however, is likely to be thwarted in its contracting plans. Even if Mr. Cannon's subcommittee holds no hearings, Representative Melvin Price, Democrat of Illinois, the new chairman of the House Armed Services Committee, is suggesting that he might want to hold some hearings before the Pentagon commits itself to a costly and controversial contract.

#### COST-EFFECTIVENESS

Before proceeding with the program, Congress specified last year that the Secretary of Defense had to certify that the plane, which at an estimated cost of \$111-million each would be the most expensive plane ever built by the Air Force, would be "cost effective"—that is, would it overcome the far cheaper electronic countermeasures of an opposing side. In his report yesterday on the military program, Mr. Schlesinger said that he was prepared to give such certification to the Congress.

In making the certification, however, the Defense Department has subtly changed the proposed mission of the plane, which is a Boeing-707 transport loaded with radar, computers and communications equipment.

Last year, in Air Force testimony and Senate floor debate, the plane's primary mission was described as providing control and direction of allied planes in strikes over "enemy-held" territory. This potentially "offensive mission" for the plane has now become secondary to a "defensive mission" of directing an air battle over the territory of United States allies.

#### CAN BE JAMMED

One reason for the Defense Department's change in emphasis is that a panel of technical experts, convened by the Pentagon at Congressional insistence, found that the present Soviet jamming equipment "could degrade AWACS performance in support of offensive operations." But in defensive operations, when the plane would be farther to the rear, the panel said, the present Soviet electronic countermeasure equipment "should not seriously degrade AWACS performance."

Calling NATO's strategy "primarily defensive," Mr. Schlesinger said that he had "determined that AWACS is cost-effective and

meets the mission needs and requirements of the Department of Defense."

Senator Thomas F. Eagleton, Democrat of Missouri, who has been leading the Congressional opposition to the AWACS program, said in a statement that the Schlesinger determination "can in no way be sustained on the basis of available facts."

#### "UNAFFORDABLE MARVEL"

"The evidence is overwhelming that AWACS can be inexpensively defeated in performing its NATO mission," Senator Eagleton said. "AWACS remains a technical marvel in search of a mission, and it is a marvel we simply can no longer afford."

Within Pentagon circles there is a suspicion that Mr. Schlesinger will not be very upset if Congress kills the AWACS program.

Some Schlesinger associates suggest that the Defense Secretary decided to make the certification rather than pick a fight with the Air Force, but aware that he was presenting a likely target for those Congressional members who wanted to make some cuts in the Defense budget.

[From the Government Executive]

MILITARY—AWACS' FUTURE: MORE OPTIONS  
THAN OPPOSITION

#### HIGHLIGHTS

Past public criticism that AWACS (officially: E-3A Airborne Warning and Control System) is vulnerable in battle, ineffective, and too costly are being shot down by performance facts.

Toughest question for AWACS decision-makers today is not defending the program; rather it is how many will NATO or the United Kingdom or Iran or all three buy, if any; and how will that affect U.S. procurement plans?

Praising performance in recent flight tests of the F-15 Eagle air superiority fighter may seem like a strange way to defend the merits of the AWACS (for Airborne Warning and Control System). Yet, say enthusiasts, "The synergism (Pentagonese for teamwork) between AWACS and especially the F-15 may well revolutionize air combat tactics."

Their case-in-point: a mock air battle last Fall in which two AWACS-guided F-15s took on nine attacking aircraft—six F-4s (built like the F-15, by McDonnell-Douglas) and three Navy EA-6s. At supersonic speeds, the F-4s played the role of interceptors; the Navy aircraft a subsonic role as AWACS-radar jammers.

All were picked up early on AWACS radar, while they were still as much as 100 nautical miles away; and all were "shot down" before they had gotten closer than halfway to the AWACS target.

In effect, this is one of many tests during 1974 which were necessary both to get a DSARC (Defense Systems Acquisition Review Council) production go-ahead last December; and to "disprove and discount" a critical GAO (General Accounting Office) report published last March, claiming AWACS was essentially "helpless" against "relatively inexpensive" enemy jamming techniques.

All nine attacked at supersonic speeds; all were picked up early on AWACS radar—in some cases while they were still as much as 100 nautical miles away; and all were "shot down" by the two F-15s before they had gotten halfway to the AWACS target.

F-15 speed, range, weaponry and radar performance were doubly impressive to observers considering that the F-15 pilots "had maybe 60 hours flying time in the aircraft vs. F-4 guys with thousands of flying hours, including in combat." The whole exercise brought home to the Pentagon "for the first time," say F-15 advocates, what one general summed up as, "For the first time in a long time, maybe we really have what we bought."

One fallout of this and other tests, on both AWACS and the F-15: one "bad guy"

amongst a bunch of "friendlies" can be picked out "right away." (One attacking F-4 pilot even tried to avoid detection by dropping down on the deck, moved along a highway hoping to get lost in ground clutter, got picked up anyway as a "speeding car.")

Point is, in an AWACS/F-15 marriage, the visual identification problem that pestered pilots in Southeast Asia seems to be solved. By implication, the probable crowded skies of, say, a European air war are manageable. That, in turn, potentially shores up an apparent weakness otherwise in the Air Combat (nee Lightweight) Fighter (ACF).

In effect, AWACS can give the ACF an "eyesight" its own presently planned avionics won't have; thus help protect it from an F-15-like attack outside its own radar's ability to detect.

Moreover, AWACS/F-15 enthusiasts claim, the aforementioned flight test also demonstrated another plus.

Through a complex set of interacting capabilities, the "team" shot down some attackers head-on, some on a beam shot, and what were left, from behind. "It demoralizes an attacker to get hit so far out," said one observer. "He drops his wing tanks which cuts his capability even more."

Under some fierce Congressional criticism (the most outspoken coming from Senator Thomas Eagleton, D-Mo.), AWACS program director, Brig. Gen. Larry Skantze, might be expected to celebrate some. Not he.

Says Skantze, "We don't intend to fall into an 'absolute AWACS' trap. We are about 10 steps ahead of the world right now; but we don't build absolutes. We evolve these things into improved capabilities. If we were always looking for absolutes, we'd never build anything."

Point is, though AWACS reportedly is the most powerful, jam-proof airborne radar known, it is still basically just a highly sensitive receiver at which an enemy can direct jamming electro-magnetic energy. Sums up one expert, "You can jam it—if you get some of the smartest radar guys around and spend a week giving them the details of the radar's architecture."

That same challenge, i.e., measuring AWACS against a realistic, relative "rather than an absolute" world, is what faced a special, independent ECM (electronic countermeasures) panel set up last Spring in the aftermath of the GAO report. Whether the scenario they devised was "real world" or "worst possible case," apparently AWACS passed—at least to the Pentagon's satisfaction.

After some 770 hours of Development and of Initial Operational testing, the critical question the DSARC spent most of its time on last December was "How many do we want to build and how fast?"

To date, Defense has looked at as many as eight different options on production, many reflecting a very Strong Congressional and top-Defense feeling that NATO should participate in the program.

Originally, Air Force planned to buy 64 AWACS aircraft systems (enough for all conceivable needs); later dropped that to 42 to be built over a two-year period; are now down on the record as planning 34 (31 new systems plus retrofitting the three current test aircraft into operational systems.)

At the 34 level, they originally planned to build one a month; are now stretched out to building one every other month, i.e., six total in Fiscal '75, '76, '77, '78 and the last seven in Fiscal '79. Options begin to get complicated when possible NATO buys are added to the equation.

For instance, one option is a NATO buy (in which the U.S. would contribute a share of purchase and operating cost) of 38. According to Pentagon speculation, allowing for the time-lag of NATO planning and budgeting machinery, that could mean a NATO purchase of three AWACS in Fiscal '77, nine

more in each of the next three fiscal years, and eight in Fiscal '81.

At the same time, the U.S.-only buy at the present one-every-other-month production speed would end in Fiscal '77. That, in sum, would mean 59 AWACS in the U.S. and NATO inventories by 1981 (the 38 NATO plus the three U.S. test aircraft converted to operational plus 18 U.S.-only systems.)

Other options being studied in the Pentagon: (a.) earmarking three of the U.S.-only six in Fiscal '77 for NATO and five of the six U.S.-only planned production for Fiscal '78 as U.S. contribution to NATO; making AWACS an entirely NATO production by Fiscal '79; (b.) Inviting the United Kingdom to share in AWACS production costs, as a British NATO contribution, in either Fiscal '76 or '77 or buy four systems on its own for a national maritime mission in Fiscal '78; (c.) Having a joint U.S.-United Kingdom buy of six systems in Fiscal '79. And then there are the Canadians, Iranians and even Japanese who have all shown interest in buying what could total a dozen or more AWACS systems.

Biggest trouble is, as Joint Chiefs Chairman, General George Brown, and Defense Secretary James Schlesinger have both pointed out, "They (NATO) have budget problems just like we do." And in absolute terms, AWACS is expensive. (Though the price would come down per copy if more were bought quicker—current development and production costs for 34 aircraft is \$3 billion, or \$89.4 million per unit.)

On the other hand, compared to fixed ground radars and other ways to do the job, says Brown, AWACS "savings in people, operating cost, maintenance, etc., are huge." (One Southeast Asia study, for instance, contends five AWACS systems could have done at least as good if not a better surveillance/command/control job than actually was done with 27 aircraft, two large, ground-based radars and a ship anchored off Haiphong harbor.)

Moreover, adds Brown, "The beauty of AWACS is not only in the air tasks it will serve but the groundwork it will also do. By putting transponders in tanks, personnel carriers, even on the backs of doughboys if he wants, a ground commander now can know precisely where his forces are."

Estimated cost to stop, then re-start the production line, depending on how fast Defense wanted to re-start: anywhere from \$340 million to \$700 million in penalties.

In any event, pressure is mounting to attract NATO involvement. For one thing, the whole system has been designed specifically with a NATO-type "battlefield" in mind. For another, AWACS program costs are up \$383 million over original estimates.

That cost jump likely will bring AWACS critics roaring back out into the open. But more thoughtful heads also see that the most likely way to keep a viable program going is to share the cost—and the asset—with U.S. overseas allies.

#### AWACS: CLAIM AND COUNTERCLAIM

Last year, AWACS came under strong public fire. Led by Senator Thomas Eagleton (D-Mo.), critics argued, basically, either (a) its radar could be "easily jammed," rendering it totally useless; and/or (b) it was a "sitting duck"—even 200 miles back from the front lines—for interceptors and surface-to-air missile attack.

An announced \$383 million jump in AWACS estimated cost (see accompanying story) is likely to bring those same critics roaring back out to stage-center—even though AWACS advocates think the criticisms already have been answered, privately at least.

Herewith the key criticisms and a summary of the Air Force's answers:

Charge: In 1973, (Defense) Secretary (James) Schlesinger changed AWACS' pri-

mary mission from strategic air defense to tactical command and control in a European environment. It was like moving from night to day. Yet, not one program milestone changed to prepare for the more demanding task.

Answer: The Secretary's decision was not what that charge implies, a major redirection of the program. Both the Specific Operational Requirement (SOR 206) written in 1963 and the ADC/TAC (Air Defense Command/Tactical Air Command) Required Operational Capability (ROC 1-66) order of September, 1966, stated AWACS must be able to perform a worldwide tactical role as well as an air defense mission.

As a result of arms constraint agreements reached with the Soviets, all that changed was the emphasis, in the strategic area, to a smaller air defense force augmented by General Purpose Forces, including AWACS; and putting all aircraft under a single AWACS-force manager to gain greater force efficiencies.

Charge: The cost estimates and timetable for AWACS were fashioned long ago for a very different mission. They are no longer realistic.

Answer: Every Congressman interested is well aware that Congress is provided quarterly with SARs (Selected Acquisition Reports) of current cost and schedule information on all major weapon system programs including AWACS, updated estimates based on constant and continual study of program trends and requirement changes.

Charge: If AWACS is going to survive and operate effectively in this (European) environment, its configuration will have to be far more capable, complex and expensive than it is now.

Answer: (See accompanying story) The worst trap to fall into is to look for an "absolute AWACS." AWACS' "baseline" configuration was defined originally to give it capability in either a tactical or a CONUS (Continental U.S.) air defense role. But it is also structured so it can be expanded and improved—as the Defense Systems Acquisition Review Council (DSARC), for instance, recommended in September, 1973.

AWACS is designed to exploit evolution—in technology, in threat estimates, in concepts of AWACS employment. In the meantime, AWACS is fully capable, in its present configuration, of doing its job in spite of the heavy attacks and intense ECM (electronic countermeasures) that could be expected in a Central Europe of the 1990s.

Charge: The current design will handle only 15 simultaneous intercepts, for instance. If AWACS is to be capable of effective operation in an 8,000-track environment, significant state-of-the-art advances in tracking and data processing technology will be essential.

Answer: That is erroneous and misleading. Intercept capability, where needed, can be increased significantly by simply adding more displays and computer memory units and/or by devoting more of the present displays to that task.

As to the density of the air-vehicle traffic AWACS could expect to face, that is studied continually in considerable detail. At the moment, though 8,000 tracks are theoretically possible, the fact is such instant air-traffic densities are far beyond the capability of current and evidently developing Warsaw Pact forces.

Even under the extreme condition of neither attacking nor defending forces suffering any losses, the instantaneous load—the only germane challenge—on AWACS surveillance ability would be much less than 8,000.

Charge: But what causes concern is that AWACS is extremely susceptible to ground-based jammers costing only a fraction the cost of AWACS itself. Low-cost ECM devices can take aim at both its main beam and side-

lobes and either blind its radar with strobe lines or virtually black it out from within 200 miles of Eastern Europe.

Answer: ECM resistance, a prime consideration of AWACS radar design since its inception, is upwards of 10 times greater for AWACS than for any other radar so far built—whether the jamming attempt is airborne or ground-based.

Any radar can be jammed if any enemy wants to pour enough of his limited resources into the effort. And what's happening to his war effort elsewhere in the meantime? Besides, not only can NATO forces attack and knock out those jammers, but, while the whole family of ECMs, including main beam and side-lobe jammers, have been checked out and while they are not all totally ineffective, none to date has shown—however it was used—that it could "black out" AWACS.

Charge: (Air Force) criticism that the March (1974) GAO (General Accounting Office) report (highly critical of AWACS) was biased and was written without consulting the appropriate Air Force officials... is unfounded. (As proof of the report's merit), soon after it was released, the Air Force came up with a revised test schedule.

Answer: As a result of the report being prepared virtually in isolation from Defense and other informed persons, it contains factual errors—including its assessment of certain AWACS radar characteristics being wrong by a factor of one million.

As to the test schedule change, this was done under DSARC instructions in September, 1973—something GAO would have learned if it had consulted with Defense prior to issuing its report in March, 1974.

Charge: The Air Force's only answer to this criticism (that it can't survive in battle) is that AWACS will retreat to friendly skies beyond the reach of the enemy's jamming devices and threat aircraft. That's fine, but what about AWACS' primary mission, to command and control our fighters over enemy territory?

Answer: Jammers would not be turned on until just prior to the start of attack, of itself a hostile act. Before and during that act, AWACS would be able to collect sufficient data to assess the size of the initial raid and alert defense forces.

Moreover, in the full range of possible attacks theorized, under certain postulated scenarios, enemy fighters and/or ECM devices and tactics would require AWACS defensive maneuvering to minimize their effects. But the effect on AWACS mission effectiveness would be brief and temporary. Either, as noted above, the attackers would be destroyed by NATO counterattacking forces; or if a heavy attack on AWACS were sustained longer, it would seriously if not decisively weaken an attacker's ability to perform other necessary missions.

We should point out, also, there is no evidence the Warsaw Pact Forces even have the state-of-the-art jamming equipment we have postulated in use against AWACS.

Charge: Congress can force good management by requiring the Air Force to fly before it buys.

Answer: Extensive test and competitive demonstration of the "look-down" radar, alone, is proof enough that prior to every major milestone decision—including the production program before the DSARC in December, 1974—"proof by test" or "fly before buy," if you prefer, has been a driving element in the entire program.

#### THE 57TH ANNIVERSARY OF THE REPUBLIC OF LITHUANIA

Mr. HRUSKA. Mr. President, each year it is the custom of the Senate to reflect upon and pay tribute to the people

of the small Baltic State of Lithuania. Once again, it is my honor to join with my colleagues in recognizing the right of these courageous people to chart their own national destiny.

February 16 marked the 57th anniversary of the establishment of the Republic of Lithuania. In America, it is a day set aside by Lithuanian-Americans as a day of celebration. In Lithuania, however, it is a day which is marked by quiet resignation.

This year February 16 fell on a Sunday, a day which many of us in America set aside for reflection and to give thanks to God for the blessings which He so generously has bestowed upon us. It is especially fitting that, as we observe this anniversary, we thank God for the great gift of freedom which He has given to the American people and to ask that this precious gift soon be restored to the people of Lithuania. For indeed, whenever the freedom of one people is lost, all free people are less secure in their liberty.

As America approaches its own Bicentennial celebration there are some encouraging signs that progress may be achieved toward an eventual restoration of freedom in Lithuania. The great hope of these people lies within the policy of détente. If détente proves to be an effective and enduring policy, we will observe a relaxation of tensions between the United States and the Soviet Union. For those living in Eastern Europe, there are many benefits which can be obtained from this new positive relationship.

A Soviet Union at peace with its Western neighbors might not feel the need to rule its Eastern European empire with an iron hand. As a result, ideas might once again flow between East and West. Freedom to travel might be restored. Families, separated by the Cold War, could be reunited. Individual standards of living could rise dramatically. Most importantly, the people of Lithuania and other Eastern European countries might be able to achieve a degree of self-determination which could lead to an eventual restoration of their liberties. These are some of the great hopes of détente.

A word of caution, however, is necessary. For without the United States as a counterbalancing military, economic, political and moral force to that of the Soviet Union, there is no hope for the nations of Eastern Europe. It is essential that, in the long run, while pursuing a policy of détente with the hope of it leading to the eventual restoration of liberty to these oppressed people, we do not allow ourselves to become so lulled that we endanger our own freedom and that of our allies.

So it is with these thoughts in mind that I observe this anniversary. Hopefully the policy of détente initiated by President Nixon and pursued by President Ford will make the world, in the last part of the 20th century, a much happier and peaceful place for all mankind.

#### THE ASSAULT ON THE WESTERN COAL LANDS

Mr. METCALF. Mr. President, many fine articles have been written about the

current assault on the Western coal lands by large coal companies, fuel-hungry industrial users, and the administration. None, however, has been able to capture an "overview" quite so well as that which appeared in the February 16 Washington Post.

This exceptional article was produced by Mrs. Helena Huntington Smith, a Montanan who has written extensively about Montana and the West.

Mr. President, I recommend the reading of this article to the Senate, to the public, and especially to my fellow Montanans, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 16, 1975]

#### THE WRINGING OF THE WEST

(By Helena Huntington Smith)

"Montana does not intend to become a boiler room for the nation," says Lt. Gov. Bill Christiansen. This is his answer to plans announced by Interior Secretary Rogers C. B. Morton which would turn the eastern part of the state into a giant industrial complex. A great many Montanans agree with Christiansen, and the battle is on.

The strip mine control bill which was passed by the last Congress and vetoed by President Ford took several steps in the right direction; but this degree of control—reclamation requirements, even protecting the rights of the surface owner—barely scratches the surface of the problem. It will not ease the threat to the water supply imposed by massive coal development on states that have very little water; it will not relieve the industrial pollution caused by generating plants pouring their poisonous fumes into the air, nor their equally dreaded population impact. It will not help towns like Colstrip.

Forty miles south of the Yellowstone at Forsyth, Colstrip in 1972 was still just a friendly little western town of 200 people. (It took the name from a small, old Northern Pacific stripping and conversion operation.) Today two 350-megawatt generating plants are nearly completed; the influx of workers has raised the population to 3,000; the parade of thundering trucks on the narrow two-lane blacktop shoulders local cars off the road, and long-time local ranchers feel like strangers.

But Colstrip hasn't seen anything yet. In September, 1973, several large utility companies unveiled a plan to build two additional generating plants of 700 megawatts each—twice the size of the present ones; plus two EHV (Extra High Voltage) transmission lines cutting a swath across the state and shedding their often dangerous leakage on the ground, to tie in with the Pacific Northwest electrical grid.

The announcement was made at a gala meeting, attended by state and federal officials, at the late Chet Huntley's Big Sky resort. J. H. Wright, director of the Westinghouse Environmental Systems Department, which has acted as consultant on the plans, picked up the tab and answered questions. A major concern of the people living in such threatened areas is the effect of the sudden population influx on water supply, roads and, above all, schools. What will happen, they ask, when a huge new financial burden is dumped on the fragile economy of these still-small towns?

The Westinghouse man told Colstrip it would need schools to accommodate 1,700 pupils by 1975. The questioner demurred that on that basis, the school district would be short some \$800,000 because of its limited bonding capacity. The speaker replied suavely: "That's your problem, gentlemen."

And again: "That is beyond the scope of our study. We cannot plan the whole world."

Today, after 17 months of often bitter debate, the showdown on Colstrip Nos. 3 and 4 is almost here; between Gov. Thomas L. Judge and other Montana officials and a powerful sector of public opinion on one side; and on the other a consortium made up of four giant West Coast utilities and the Montana Power Company, backed by the federal government. The state's Board of Natural Resources, an independent body, must start hearings on the question in a matter of weeks. Its answer will help to decide the big issue: Whether the Western coal-bearing states can escape the boiler room fate.

#### HOW MUCH COAL?

Montana, Wyoming and North and South Dakota, the four states known as the Northern Plains, are, or used to be, happy states, blessed with a small population and fond of their way of life. But now they are frightened about what is going to happen to them. For the first three sit on top of the vast Fort Union formation of strippable coal, largest in the United States.

How much coal is there? The guesses vary so crazily as to prove that no one knows. A Montana official estimates 42 billion tons underlying his state, while a South Dakota source gives 100 billion for the whole region. But the House Interior Committee last spring accepted a modest estimate of 32 billion tons for all strippable coal underlying the Western states, plus another 25 billion underlying Indian lands.

The information gap has been narrowed in the past year by the publication of two major studies. One, by a panel of the National Academy of Sciences, is called "Rehabilitation Potential of Western Coal Lands." The second was written by James Cannon for the Council on Economic Priorities, a New York-based public interest foundation. Entitled "Leased and Lost," it is, among many other things, a highly critical study of the giveaway leasing policies practiced by the Interior Department.

Ousted energy chief John C. Sawhill is one of many who have called for putting the brakes on demand to ease the energy crisis, but in the Western coal regions government policy is geared to all-out exploitation with all possible speed. This is not from motives of pure patriotism as the public has been led to believe. It is also because the companies fear that the rise of Eastern competition may endanger their profits.

In May, 1971, a partner in the Norsworthy and Reger consortium, owner of Westmoreland Resources, told a state official: "We are concerned with . . . establishing Montana as a coal-mining state, and in a hurry. Research is going on daily on how to lower the sulphur content of . . . Eastern coals . . . We feel that we have a limited number of years in which to develop the marketability of Montana coal." A year and a half later the president of Montana Power expressed the same thought: "If we don't act now the fellows who need the power in the East and Midwest won't wait. They'll be turning to other alternatives."

Until recently a 30-to-35-year period has been assumed to cover the boom-bust cycle of strip mining, which would bring the total depletion of the West to the year 2010. But there are signs this is being accelerated. The report of an Interior Department Coal Extraction Task Force, which surfaced last August, proposed a 15-fold speed-up in Western strip mining by 1985; and an alternate recommendation—not ruled out—called for a 23-fold increase by 1996, when it was anticipated that the coal reserves of the entire West would be exhausted. Lt. Gov. Christiansen, in a gloomy interview, feared that the plan could "break the back of Montana," and lead to "the massive destruction of the West."

#### "NOT ENOUGH WATER"

In the thick of all the power-boosting schemes is the regional arm of the Bureau of Reclamation—known as BuRec for short—and especially the regional planning engineer, Phil Q. Gibbs. In October, 1971, under the guiding hand of Gibbs, 35 public and private power suppliers in 14 states unveiled the North Central Power Study. This was two and a half years before "Project Independence" was heard of, so the justification of "national need" was lacking, and profit was the name of the game. The study called for 42 power plant complexes in five Western states, headed by Montana with 21; then 15 in Wyoming and four in North Dakota. They would produce a gargantuan 10,000 megawatts apiece, compared to the modest 700 apiece for Colstrip Nos. 3 and 4. They would be producing 50,000 megawatts annually by 1980 and 200,000 by the year 2000, and would be cooled by upwards of 2.6 million acre-feet of water from the Yellowstone and its tributaries.

But the planners had overplayed their hand, and the Power Study backfired. Nearly the whole state of Montana was boiling mad. The legislature was alerted and started passing tough laws, a habit which it has kept up; and citizens' groups sprang into action like Committees of Correspondence during the American Revolution. One of them was the Northern Plains Resource Council, an organization of angry ranchers and young environmentalists, who have shown marked efficiency at giving the power companies a hard time.

A year after its launching, the Power Study was piously interred by pronouncement of its co-author, Gibbs. Actually it was very much alive. While its authors were playing possum for policy's sake, they were going right ahead, and the study is quietly accepted as a goal of "Project Independence."

Although the power advocates don't seem to have waked up to it, they may yet stub their toe on the great, central, inescapable fact of life in the Western states, the scarcity of water. "Far West's Shortage of Water May Block Energy Schemes," the Wall Street Journal headlined on Dec. 16. And the battle lines are forming for a showdown between agriculture and the coal interests over the issue.

The Yellowstone River has a normal annual flow of 8 to 9 million acre-feet at Miles City. (An acre-foot is the amount of water it takes to cover one acre to a depth of one foot.) But every four years or so the flow goes down to 2.6 million acre-feet, or just enough for agricultural use, and one year in 10 it may go as low as 1.2 million. If the predicted 50,000-megawatt capacity is reached in the Northern Plains by 1985 it will create a demand for a million acre-feet to cool the plants; and a call for 2 million acre-feet is projected for coal development in the five-state Upper Missouri Basin by 1990. The total water supply in the area averages 3 million acre-feet. And meanwhile the population influx brought in by the zooming labor demand brings growing needs for water. It is somehow frightening. "Whom the gods would destroy, they first make mad . . ."

In the midst of it all the National Academy of Sciences has sounded a note of sanity: "Although we conclude that enough water is available for mining and rehabilitation at most sites, not enough water exists for large scale conversion of coal to other energy forms (e.g., gasification or steam electric power)." And S. David Freeman, who directed the Ford Foundation's Energy Policy Project which commissioned the Academy report, was quoted as saying that it "raises a warning flag over industry's plan to transform the Rockies and the Great Plains into the nation's power house."

They were whistling down the wind.

The companies have their own answer to "not enough water." It is, very simply, to

grab it all, and the devil take the hindmost, meaning the food producers. They have so far been successful.

The energy crisis has cast a retrospective glow of sanctity over the stampede for coal development in the West, now in its eighth year. But it was not until Oct. 18, 1973, that OPEC—the Organization of Petroleum Exporting Countries—declared its embargo of oil shipments to the United States in protest against this country's support of Israel.

The real story goes back to 1967, which was so long ago that Stewart Udall was Secretary of the Interior, and nobody had even thought of an energy shortage. It was so long ago that nobody but a few smart insiders had ever heard of coal in the West, while as for the West itself, every right-thinking Easterner knew that there was no such place—wasn't it all just a figment of John Wayne's imagination?

So the right-thinking East, including Congress and the press, was looking the other way when a coalition of energy companies and government forces put their heads together and engineered one of the neatest little ripoffs in modern memory. Known as the Industrial Water Marketing Program, it was set up under the Bureau of Reclamation to sell rights to the water in the Yellowstone River system and the water stored in the Boysen and Yellowstone reservoirs, by allowing the companies to purchase 10-year options for the water at the giveaway option price of 50 cents per acre-foot per year. It is said to have been a high-level decision. At any rate, its astounding import was that it enabled the energy companies, with the aid of the United States government, to corner the water supply.

Some of the water was contracted for irrigation, but this fact was ignored in the sale of options under the federal plan. It proceeded on the quiet, until local users woke up to find that their water rights were being sold out from under them. Meanwhile, all the water was not only committed but over-committed; i.e., all the rivers and reservoirs were sold dry; and this opened the way to another of BuRec's grand designs, the Montana-Wyoming Aqueduct Study, published in the spring of 1972.

Authored by the ubiquitous Phil Q. Gibbs, it called for a system of 48 dams and reservoirs connected by 300 miles of pipeline. One of the dams proposed was the Allenspur unit south of Livingston, Mont., which would drown the scenic valley of the upper Yellowstone as far as the edge of the national park.

Meanwhile, irrigation, already raided by the option buyers, was being subjected to a clampdown by federal agencies.

"Irrigation is the bottom of the totem pole," a Bureau of Reclamation spokesman in Washington admits. Conspicuous at the top is industrial (coal-related) use. Indeed, hardly anything else is left. The National Academy of Sciences report notes a turning point: "Until recently, it has been tacitly assumed that the unappropriated water in the coal region would be used for some combination of irrigation, wildlife management, and municipal and industrial purposes including perhaps, lumber mills, paper and pulp plants, mineral or other processing plants, and assembly plants."

"In 1972-73 the use of this water became, as far as government reports are concerned, more importantly directed toward energy conversion, cooling of steam plants . . . and other aspects of coal development."

"Such a sharp reversal in government policy," the report adds drily, "came about with little or no public awareness."

#### LOSING THE LAND

In September, 1973, the Water Work Group (headed by Gibbs) of the Northern Great Plains Resource Program—a multi-agency task force set up by the Interior Department to study all aspects of coal development in

the area—blew the whistle on irrigation in the following terms: "The policy of the national administration is not encouraging with respect to federal funding for additional irrigation development. . . . The outlook at this time for further irrigation development in the area is poor."

This was tantamount to giving the whole food-raising potential of the Northern Plains the kiss-off. It is still the official policy. The question is how far Congress and the public will acquiesce, once its implications are understood. For the history of collusion between the power interests and government forces raises questions that can scarcely be ignored.

There may be some recourse in the courts. The Sierra Club recently won a round in the U.S. Court of Appeals in Washington, opposing strip mine activity in the vicinity of Gillette, Wyo. And a group of ranchers and environmentalists has filed suit in the U.S. District Court in Billings, Mont., to outlaw the Industrial Water Marketing Program. They charge unlawful appropriation of water from the Boysen and Yellowstone reservoirs for the benefit of private industry, in violation of the Flood Control Act of 1944 and the Reclamation Act of 1902, and contrary to the purposes for which the reservoirs were authorized: irrigation, hydroelectric power, flood control and silt control. They also claim rights to irrigation water from the Yellowstone River system, in accordance with state and federal law. With this suit pending the book on Northern Plains water is not yet closed.

Meanwhile, Sen. James Abourezk of South Dakota, outstanding defender of his region's interests, has requested Chairman Henry M. Jackson to hold Senate Interior Committee hearings on the whole subject of water utilization in the Upper Missouri Basin, in view of the conflict between energy and food needs.

In order to justify their program and win public support, the energy interests have resorted to a time-honored tactic. "But the land isn't good for anything," the coal companies pretend. "Can't even run sheep on most of it. They ought to have given it back to the Indians." So run the remarks heard in the spruced-up hotel lobbies of once cow, now coal towns.

The House Interior Committee, in a report last May, found otherwise: ". . . much of the nation's prime grazing and farming land is located in the band of Western states where these immense coal deposits are located."

The short, sun-cured, protein-rich grass that covers the "barren" rolling plains is the best natural cattle feed in the world. It sustains modern herds as before them it sustained millions of buffalo. Wheat yields, under irrigation, are among the highest per acre of any part of the country. The Northern Plains states are "good for" a cattle population of 12.6 million with a market value of \$2 billion even at currently reduced prices.

There are mountains of statistics showing how many millions and billions of tons of coal the West is going to produce by the years X, Y or Z; what is needed now is a figure showing how much food-raising potential the government plans to sacrifice to "energy" in the same period, in the face of a growing agricultural crisis which is slower and less spectacular than the energy crisis, but just as real.

With headlines erupting daily about the world food crisis and the national food shortage, this country is losing farm land, due to urban sprawl, strip mining and other causes, at such a rate that president Tony Dechant of the National Farmers Union has predicted: "If this trend continues we will lose an area the size of Kansas in 15 years."

#### "NATIONAL SACRIFICE AREA"

The panel that issued the cautious and scholarly National Academy of Sciences re-

port unwittingly touched off a verbal bombshell. Certain sites, it said, must be given up as impossible to reclaim or even rehabilitate, and for these hopeless areas ("Abandon the Spoils"), it coined the term "National Sacrifice Area."

The words exploded in the Western press overnight. Seized upon by a people who felt themselves being served up as "national sacrifices," they became a watchword and a rallying cry and the impression they left was supported by an unfortunate official utterance. On April 19, 1973, an officer of Gulf Mineral Resources in Denver wrote a letter to a man in Helena, in which he said: "The disposition of these deposits [of coal] will be determined by the economic and social implications of some 150 million megalopolitans located to the east . . . . Providing we still have a representative form of government, then the West's minimal population, with their opinions, hopes, desires about certain tracts of real estate, will be of little or more probably of no consequence to the voting majority."

That did it. The excerpt was transmitted by means unknown to the Minneapolis Tribune, where it surfaced that December. Here was the "national sacrifice" theme in a nutshell, and it was seized upon and passed along until it became one of the most quoted utterances of its kind since Marie-Antoinette is alleged to have said: "Let them eat cake."

Bits and pieces of corroboration turned up to support the allegations. There were signs that one thrust of strip-mining policy was to create a demand for Plains-generated electricity on the Pacific Coast, and at the same time build up a surplus for export. And on Aug. 9, 1974, 12,000 tons of Montana coal were shipped out for Yokohama from a huge new port facility at Astoria, Ore. It was strip-mined coal from a Westmoreland mine on the Crow reservation, and was a sample designed for a "test burn." But there was every expectation that 100-car trains loaded with the coal would start rolling Japan-wards twice a week, for a total of 3.4 million tons a year, indefinitely. Then New York Times reporter Ben A. Franklin got wind of it—and on Sept. 29, Montanans read that their coal was being sent to Japan.

A delegation of angry ranchers waited on Gov. John Judge; the "sacrifice" of the state had been justified to them as a patriotic move to provide energy for their country. "But they are not going to tear up the landscape of Montana for coal to be sent to Japan," declared rancher leader Bob Tully. Surprised and upset by all the uproar, the embarrassed Japanese called off the deal.

#### "YOUR PROBLEM, GENTLEMEN"

Said a barber in Forsyth: "The coal has only raised taxes for most of us. The rich will get richer and the rest of us will get taxed."

A prediction attributed to the Bureau of Reclamation looks forward to a seven-fold population increase in the Northern Plains as a result of coal development; Montana, with a normal population of about 750,000, can expect an influx of 200,000 to 400,000 people in the eastern part of the state. The Northern Cheyennes may be outnumbered 10 to 1 by whites on their reservation.

Kaycee, Wyo., of Johnson County War fame, was until recently a wide place in the road surrounded by prosperous ranches; but Johnson County will grow 900 per cent in the next 15 years, according to telephone planning projections.

Huge, mobile-home ghettos will be parked outside the towns, which will have to provide schools, hospitals, sewage treatment facilities. And, of course, a water supply.

In the jam-packed schools at Col-strip last year classes were being held in shower rooms, and such subjects as physics and foreign languages had been dropped because of the shortage of teachers.

There will have to be miles and miles of roads, Stephen C. Kologl, Montana state highway engineer, predicts that before the boom-bust cycle spends itself he will be building a network of roads leading to future ghost towns. "Chances are," he has said, "that by the time an adequate road system is provided, about all there will be left to serve is the mass evacuation of the area."

An oil industry representative, surprisingly, made the suggestion before a House subcommittee not long ago that the federal government ought to make a "major" contribution toward the funding of hospitals, police protection and so forth, to ease the burdens of exploding communities. This offbeat proposal was promptly squelched by a Federal Energy Administration official. It was "just not in the cards."

It's still "Your problem, gentlemen."

In the face of the coming socio-environmental cataclysm in the West, the emphasis on reclamation, in Congress and elsewhere, seems almost frivolous (or in Rep. Ken Hechler's classic phrase, "like putting lipstick on a corpse.") But aside from all that, how feasible is it?

Restoring the land to its original contours and replacing the topsoil is a matter of elementary decency, like draping a sheet over the corpse. But full "restoration," in the sense of returning the land to its original state, is regarded as impossible.

The National Academy report on "Rehabilitation Potential" is in agreement with other authorities when it says: "There is no probability of complete restoration anywhere." The next choice is "reclamation"—i.e., revegetation. But the question is: With what?

In an effort to improve their public image some of the companies have been working hard to sell their revegetation programs—commendable as far as they go—but so far these have been largely confined to small experimental plots, like Western Energy's near Colstrip. The guide who shows visitors around says: "Having taken hundreds of people on a tour of Western Energy reclamation research plots, I found it difficult for anti-Colstrip people to argue against reclamation when they are standing waist-high in grass." To which a rancher replies: "Anyone with remote knowledge knows livestock don't do well on 'waist-high' vegetation."

#### WATER IS MINED

With every drop of surface water appropriated on paper, the power companies have turned to mining underground water. The move may have far-reaching consequences, since one state can disrupt another's underground water supply.

Geologists know that underground water and surface water are one indivisible system. In nature the underground waters are continually recharged by streams flowing on the surface. But when the recharging fails because of heavy withdrawals of surface water, the water table starts dropping and wells start going dry. By the same token, heavy withdrawals of underground water reduce the stream flow as nature tries to compensate. It is a vicious circle which can lead to even deep wells drying up hundreds of miles away.

The coal beds lying close to the surface, favored targets for strip mining, often double as aquifers, or water-bearing strata, and the shallow wells that yield enough for domestic use and livestock get their water from coal seams at depths of less than 500 feet. The alluvial valley floors are indispensable to ranchers because they form the lush, sub-irrigated hay meadows where winter feed is produced. Protecting them should be a top priority of new legislation.

South Dakota sits on top of an immense aquifer known as the Madison formation, which underlies the Dakotas, Montana and parts of Wyoming and Nebraska. Early last

year the Wyoming state legislature authorized Energy Transportation Systems Inc. to tap the underground formation and build a coal slurry pipeline to Arkansas, a distance of 1,000 miles. Slurry is a mixture of powdered coal and water, and the pipeline method is one of the heaviest water users known. If Wyoming goes through with it, the 10,000 gallons a minute pumped out of the Madison formation in that state will completely dry up Edgmont, S.D., and other communities which depend on deep wells tapping the Madison formation for their water supply. Negotiations now under way may lead to abandonment of the plan, but in the event that Wyoming does go through with it, South Dakota is prepared to take the case to the Supreme Court.

What is taking place here is a highly dangerous meddling with Unknowns, and South Dakota is only part of the story. Other corporations are planning to make large-scale withdrawals from the Madison formation, and the same thing is happening widely. West of Buffalo, Wyo., one company alone has applications on file to drill no less than 58 wells which would provide a quarter of a million acre-feet of underground water to cool its plants. It is obvious that underground water withdrawals on the scale contemplated could smash the ecosystem of the entire region. The companies are acting in a legal vacuum, since laws to meet the situation have yet to be passed. Which may in part account for the stampede.

#### "ENERGY PARKS"

In January, U.S. Energy Czar Morton, speaking through President Ford's State of the Union message as well as independently, disclosed a new and grandiose scheme for power development in the West. A warmed-over version of the 1971 North Central Power Study, it calls for 20 new generating plants by 1985. Coining the term "energy parks," Morton envisioned one of them in rhapsodical words: "A \$450 million prototype of a total energy-system complex . . . 1,000 acres . . . crammed with machinery, gasifiers, converters and refineries. Every day it would combine coal with water to produce large supplies of pipeline gas, synthetic oil, butane or propane" and so forth.

Four West Coast utilities, with Montana Power, are the backers of Colstrip 3 and 4. The Pacific Coast is the heaviest user of electric power at the cheapest rates of any national region. And Gary J. Wicks, director of Montana's Department of Natural Resources, contends that these companies are seeking to promote use of energy, rather than conservation.

Montana insists that it is already making a significant contribution to the nation's energy needs by shipping trainloads of coal out of the state to points where the need exists. By 1980 the state expects production to rise to somewhere in the neighborhood of 50 million tons annually, of which 97 per cent will be shipped, thus "exporting" not the power but the pollution. Gov. Judge contends that this can be done at least as cheaply as burning the coal in Montana's clean air.

But Montana Power and its allies are vehemently opposed to this scheme, on the ground, the Billings Gazette has charged, that the heavier their investment in mine-mouth industrial complexes and transmission lines, the higher they can boost their rates.

If the plans are permitted to go through, Morton's "energy parks" may be only the beginning of the story. For Montana could be tied into not one but two electrical grids, since it lies between the Pacific Northwest and Mid-Central systems. The Interior Department even now is said to be studying the feasibility of running EHV transmission lines from Colstrip, not only to the West Coast

but to the Middle West as well. This building of two, three or even more EHV lines across the state would make so much electricity available as to stimulate the heaviest kind of industrial development within its borders; Anaconda and Johns-Manville are reported as already interested in coming in.

The plans are raising some eyebrows as the basic facts are contemplated. For the development explosion now brewing, it must be remembered, is to exploit a resource so shallow it can be stripped off in a mere matter of 20 years.

Here again are the overtones of a dementia reminiscent of the stock market craze of the Twenties, a perilous divorce from reality.

What can be done? Far broader solutions are required than any pending strip-mine control act. Old laws need to be amended and new ones passed. Legislation is a generation gap behind. Of current importance is the federal Coal Leasing Amendments Act of 1975, sponsored by Sen. Jackson, which passed the Senate unanimously last July only to fall afoul of Commerce Committee Chairman Harley O. Staggers in the House. The bill would put a stop to speculating in coal leases by providing that leases not developed within a given time would automatically revert to the public domain. Another bill that has passed the Senate twice is the Land Use Policy and Planning Assistance Act, which would strengthen the hand of the states in enacting tough power plant siting laws.

There is one important fact that is sometimes overlooked. Much of the threatened industrial development, including water allocations, exists only on paper—so far. There is still time for the nation to reconsider the destruction of the West.

#### IN DEFENSE OF THE UNITED NATIONS

Mr. McGEE. Mr. President, the 29th General Assembly of the United Nations was one of the most controversial in the memory of the organization.

As a result, there will be accelerated and more aggressive attempts on the part of the opponents of that institution to hamper U.S. participation in the United Nations, if not end it altogether. Yet, I believe these to be shortsighted at best and ignorant of the lessons of history at worst. If such an effort should bear fruition, it certainly would be a sad commentary on the Congress as a perceptive and knowledgeable partner in the foreign policymaking processes of this Nation.

For this reason, I would urge my colleagues to give consideration to an article which appeared in the Sunday edition of Parade magazine. I am referring to an interview with United Nations Secretary-General Kurt Waldheim.

As the Secretary noted, one of his deepest frustrations is that many people—including many Americans—are too quick to see the U.N.'s failures, and too slow to see its successes.

Of course, the opponents of the United Nations would never admit to the successes, for it might force them to seek another cause celebre in which to devote their time and energies.

But as the Secretary-General was quick to explain:

To some extent this is understandable, because when we avoid a war, nobody ever hears about it.

The Secretary-General further noted:

We must always remember that a war of words is better than a war with guns. The world is divided, and here in the U.N., at least, there is a chance for all the factions to talk to—and yes, even shout at—each other. Without this organization, there is no other place, nothing. So, even though we now face criticism in your country and elsewhere, I am confident that people will be wise enough to not say "Let's give up the ship"; yes, I am confident that we will be able to ride out the storm.

I would warn my colleagues that the United Nations, at least the General Assembly, is a reflection of the real world in which we exist. If we are to avoid the dire consequences of ignoring reality and burying our heads in the sand, then it means strengthening those institutions which allow us to deal with reality more effectively. Americans cannot continue taking from the rest of the world. We have to put something back into it sometime. That means the development of more equitable relationships with all nations. And the United Nations gives us the institutional framework in which to accomplish these purposes.

In closing, I would just add that if the United Nations had accomplished nothing else in its 30 years' history, the presence of U.N. forces in the Middle East today is well worth its existence. For I would hasten to add that had it not been for the United States and the Soviet Union working together to defuse the Middle East situation, we might not be sitting in this chamber today, for this chamber might not exist.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Parade magazine, Feb. 9, 1975]

AN INTERVIEW WITH SECRETARY GENERAL KURT WALDHEIM: CAN THE U.N. SURVIVE?

(By George Michaelson)

UNITED NATIONS, NEW YORK.—The tall, gaunt U.N. Secretary General, Kurt Waldheim, stared silently out of his office window on the 38th floor of the U.N. building. We had just asked him: What would happen if the United Nations didn't survive?

"It would be a very serious . . . an extremely serious situation," he answered slowly. "Do you remember what happened when the big powers quit the League of Nations and it collapsed? Well, it was the beginning of World War II. And I think that if the United Nations died, we would have the same situation again. Yes, it would be a disaster, a terrible disaster for mankind."

Ominous words, to be sure. But coming at a time when the U.N. is under a growing barrage of criticism here in the United States, they are also meant as a reminder. For, as the Secretary General is well aware, never before in the 29-year history of the international organization have more Americans been disillusioned and disenchanted with the U.N. "We are going through a real crisis of confidence in the U.N.," says one U.S. diplomat. "The whole future of the organization is up in the air."

#### MONEY TALKS

The irony, of course, is that on Oct. 24, 1945, when the U.N. was set up, no country was more enthusiastic than the U.S. We are the ones who pushed for it, provided the bulk of the funds, and agreed to host the new

international organization. And over the years, we have continued to be the U.N.'s main financial supporter (at present, we contribute 25 percent of its annual budget, or about \$62 million for 1974-75.) Indeed, as the Secretary General candidly stated: "The contribution and cooperation of the United States has been, and continues to be, vital to the U.N.—I would even say *essential*."

But "essential" as we may be, in recent years we have found it increasingly hard to get the U.N. to see things our way. As the organization has grown from the original 51 members to 138—with most of the present membership coming from the developing Third World—the U.S. frequently finds itself outvoted, outshouted and outraged by what the U.S. Ambassador to the U.N., John Scali, calls "the tyranny of the majority."

This was never more painfully obvious than during last year's U.N. General Assembly session when the Third World block managed to hammer through a series of radical decisions that the U.S. opposed.

Thus, for the first time a member state, South Africa, was suspended (a ruling of questionable legality); a guerrilla leader, Yasser Arafat of the Palestine Liberation Organization, was invited to address the Assembly and was accorded unprecedented head-of-state honors, while Israel's traditional right to speak was curtailed; and an economic charter was passed which in effect compels the richer countries to give over some of their wealth to the poorer ones.

"All of this has shaken up the American public," says one prominent member of the U.S. mission to the U.N. "People have been writing us, or their Congressmen, or their local newspapers, asking: 'What the hell gives here?' Congress has just acted to block funds to one of the U.N.'s agencies [United Nations Educational, Social and Cultural Organization], and there are even some Congressmen calling for us to quit the U.N. altogether. At this point, nobody knows how far this reaction against the U.N. will go, but believe me, those of us involved with, and concerned about, the organization are pretty damned worried."

#### A VETERAN

Certainly, nobody is more worried than Kurt Waldheim, the 56-year-old Austrian diplomat who took over the Secretary Generalship three years ago. When we interviewed him recently, the dapper, mild-mannered veteran of U.N. politics (he was head of the first Austrian mission to the U.N., and has attended every session of the General Assembly since then), seemed visibly disturbed by the storm now brewing at the U.N. And he discussed—at times quite openly—some of his views, and some of his frustrations.

Regarding his role as the world's No. 1 peacemaker, in particular, he told Parade: "The first man who ever held the Secretary Generalship, Norway's Trygve Lie, once called it 'the most impossible' job in the world. And you want to know something—it's even more difficult than that! One is constantly having to balance the interests of all the factions, all the 138 countries, and one must do this work without any practical power. I am not, after all, a prime minister of a world government. My only power is a kind of moral power, and you can be sure I use it wherever and whenever I can. But, often this must be done quietly, behind the scenes, so to speak."

#### SUCCESSES FORGOTTEN

One of his deepest frustrations, the Secretary General indicated, is that many people—including many Americans—are too quick to see the U.N.'s failures, and too slow to see its successes.

"To some extent this is understandable," he added diplomatically, because when we avoid a war, nobody ever hears about it. For instance, last year the U.N. was able to pre-

vent an out-and-out war between Iraq and Iran. I sent a representative from my office, he quietly arranged a compromise solution, and as a result the public never heard a thing about it. The only time they would have heard is if war did break out—then, of course, we would be blamed.

"Take, for example, what happened in Cyprus. We were heavily criticized in some quarters for not preventing the war there this past summer. What people overlook is that for 10 years our 2000 or so U.N. troops stationed there had successfully kept the peace between the Greek and Turkish Cypriot communities. Then we were suddenly confronted by a military operation of the Turks—40,000 regular soldiers sent from Turkey. Apart from being outnumbered, the U.N. forces had no authority to get into a war with Turkey, a member state.

"What we were allowed to do in the way of lessening the plight of war victims, we of course did. And as a matter of fact, it is possible that the war might have lasted even longer had the U.N. not intervened (I went there personally, you might remember), and managed to get the two sides to sit down and talk to each other.

#### BIG JOB TO DO

"And there are still other situations where the U.N. has proved important. Take the Middle East where U.N. forces are being employed to divide the two sides, in Sinai and the Golan Heights. Make no mistake about it, this role we serve is not simply useful—it is necessary. It gives the parties time to negotiate a solution, though here I tell you frankly, that unless further progress is made in negotiations, by April or May, there is the very real danger that we will have another war there.

"I think it is obvious that as Secretary General I cannot go in and solve the matter myself: the U.N. has no such mandate. But we can help, we can offer a forum for such a solution, as we are providing in Geneva, and we can only hope the parties involved will use it for making peace."

Speaking of peacemaking, what—we wondered—was the Secretary General's opinion of Dr. Kissinger? "I have the highest regard for him," answered Waldheim without hesitation. "I am in regular contact with him—either on the telephone or otherwise. He never fails to impress me with his personality, his clear mind, and his diplomatic skill. And, I tell you frankly, what he has accomplished so far in the Middle East and elsewhere, has been very important towards building world peace.

"But to build world peace," continued Waldheim, "involves more than the efforts of a few men, and more than preventing wars. We must get at the causes of unrest in the world—the misery and starvation that is the lot of two-thirds of the world's population. The poorer countries are demanding that something be done, demanding that the wealthier countries listen to them. And more than anything else, perhaps, this is why we have had some of the recent confrontations in the U.N. General Assembly. I do not like these confrontations, but they do have real roots, and they do indicate that some changes must take place."

#### WORDS VS. GUNS

"And besides . . ." said the Secretary General, raising his finger like an exclamation point, "we must always remember that a war of words is better than a war with guns. The world is divided, and here in the U.N., at least, there is a chance for all the factions to talk to—and yes, even shout at—each other. Without this organization, there is no other place, nothing. So, even though we now face criticism, in your country and elsewhere, I am confident that people will be wise enough to not say 'Let's give up the ship; yes, I am

confident that we will be able to ride out the storm."

#### ADMINISTRATION POSITION ON S. 66, THE NURSES TRAINING ACT

Mr. HUGH SCOTT, Mr. President, at the request of the Department of Health, Education, and Welfare, I ask unanimous consent that a letter from Secretary Weinberger stating the administration position on S. 66, the Nurses Training Act, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,  
EDUCATION, AND WELFARE,

Washington, D.C., February 10, 1974.

Hon. HUGH SCOTT,  
Minority Leader,  
U.S. Senate, Washington, D.C.

DEAR HUGH: This letter reports our views on S. 66, a bill to amend the Public Health Service Act to revise and extend programs of assistance for nurse training and health services delivery, reported by the Committee on January 28, 1975. It contains the provisions of two bills pocket vetoed by the President after adjournment of the 93rd Congress, H.R. 17085, Nurse Training, and H.R. 14214, Health Services. The Department opposed both of those bills, and were the Congress to pass them again, I would recommend to the President that he veto them.

#### NURSE TRAINING

The nurse training provisions are contained in Title I of S. 66. They are defective in five respects: (1) authorizations are excessive; (2) capitation and construction authorities are continued; (3) enrollment increases are required as a condition for receiving capitation funds; (4) geographic maldistribution is scarcely addressed; and (5) nursing is separated from other health manpower training authorities.

S. 66 proposes separate authorizations for nurse programs of \$187 million for 1975 and \$218 million for 1976. The President's budget request proposes an integration of special project activities for nursing with other health professions activities at a total of \$128 million in 1975 and \$155 million for 1976. The bill's authorizations exceed the amounts requested by the Administration.

In the 1960's, there was thought to be a shortage of general duty nurses. Current estimates, however, are that the number of active registered nurses will rise from 723,000 in 1970 to 1,099,000 in 1980 without growth stimulation. This would suggest that our incentives for expansion have been successful.

Moreover, all of our information suggests that continued investment in the current program would ultimately mean increased nurse unemployment and training problems. Recent growth is already reported to have created problems in the schools: service delivery sites for clinical training are becoming glutted, and a number of baccalaureate programs are finding that the universities in which their programs are located are beginning to resist further expansion. In the registered nurse employment market, a number of areas are beginning to report that some nurses are having difficulty in finding jobs. In January 1973 the American Nurses Association, concerned about unemployment, wrote a letter to the Department of Labor stating that the "shortage of staff nurses appears to be disappearing."

While the aggregate supply is no longer a pressing problem, serious geographic maldistribution problems persist, with particular acuteness in the rural areas in the Southeastern and South Central States. We find no

reason to conclude that nurses will enter these underserved areas simply because there are pockets of surplus. We believe that vigorous specially targeted initiatives are called for and our proposals in the 1976 Budget will permit us to undertake the necessary level and types of activities.

Under our proposals special project funding will be used for targeted geographic and specialty initiatives. Student support programs will concentrate on assistance to the disadvantaged. Undergraduate nursing students can use the same Basic Opportunity Grant resources that are available to all undergraduate students.

By handling nurse training apart from the other health professions categories, this bill perpetuates the kind of fragmentation that results in inconsistency, gaps, and overlap, and sets policy precedents that may limit what we can subsequently do in other health professions areas. We strongly believe that consideration of new nursing legislation should occur simultaneously with consideration of other health professions legislation.

#### HEALTH SERVICES

Our comments with respect to Title II should be viewed in the context of our overall strategy in health. The Department favors a policy which will assure financial access to health care for all Americans on an equitable basis. Medicare and Medicaid are designed to accomplish these objectives and will spend over \$22 billion in 1976. States will spend an additional \$6.9 billion in Medicaid. Accordingly, we oppose in principle an expansion and mandating of health programs that, in effect, duplicate the services financed under Medicare and Medicaid and single out a few selected communities for special Federal subsidies. In his memorandum disapproving H.R. 14214, the President stated:

H.R. 14214 conflicts with my strong commitment to the American taxpayers to hold Federal spending to essential purposes. The bill authorizes appropriations of more than \$1 billion over my recommendations and I cannot, in good conscience, approve it. These appropriation authorizations are almost double the funding levels I have recommended for Fiscal Year 1975 and almost triple the levels I believe would be appropriated for 1976."

The authorizations exceed the President's requested budget authority for 1975 by approximately \$500 million and for 1976 by approximately \$700 million.

Generally, the program authorizations in S. 66 are fundamentally inconsistent with the President's 1976 Budget which would eliminate the 314(d) State formula grant and would require migrant health, family planning, and neighborhood health center grantees to share an additional 20% of the costs.

For example, in 1976, the Department will fund \$295 million of family planning activities of which over \$100 million will be financed from Medicaid and other programs of the Social and Rehabilitation Service. S. 66 would also authorize \$139 million for new CMHC starts. The 1976 Budget includes \$199 million for continuation grants in 1975 and \$166 million in 1976, presumably the same amount as would be required for that purpose under the bill.

The 1976 Budget continues the phaseout of the CMHC program. Existing subsidy commitments will be honored for the duration of the 8-year funding period, but no new awards will be made. HEW has funded 626 CMHCs that more than adequately demonstrate the concept of community-oriented mental health care delivery. Federal mandating of the CMHC delivery mechanism is inappropriate in the light of the need to integrate all health services. The Health Maintenance Organization Act, for example, requires qualified HMOs to offer mental health and other social services in addition to the traditional health services. Moreover, the medical and social

services provided CHMCs are similar to services generally available to eligible individuals under the Department's Medicaid and social services programs. The Federal Government will spend \$8.7 billion in these programs in 1976 in addition to State and local expenditures of \$7.7 billion for these purposes.

Finally, the bill would authorize new programs and activities, e.g., studies on mental health and illness of the elderly, epilepsy, and Huntington's disease (for which no specific authorization is provided), rape prevention and control and hemophilia services as well as a new program of home health services in 1976. These new programs are inconsistent with the President's strong public commitment to veto new spending programs.

Sincerely,

CASPAR W. WEINBERGER,  
Secretary.

#### FORBES MAGAZINE RAPS THE RFC

Mr. PROXMIER. Mr. President, I find increasingly that the ethic of free enterprise and bracing competition is largely honored in the breach by many of America's devoutly capitalist enterprises. It is a delight, therefore, when a publication that unabashedly describes itself as a "capitalist tool"—Forbes magazine—comes down firmly on the side of real free enterprise, which means letting the market punish failure as well as reward success. Without that market sanction, free enterprise quickly turns into a corporate welfare state.

And that would certainly result if the latest bailout gimmick, a revived Reconstruction Finance Corporation, were enacted into law in the form in which it has been proposed. The idea, apparently, is that the taxpayers should be made to invest in corporations whose mismanagement has been so flagrant that they can no longer attract private voluntary investment. In the February 15 issue of Forbes, Felix Rohatyn, a leading proponent of that idea, is interviewed by Forbes reporter Geoffrey Smith. Mr. Rohatyn's case is so weak that it plainly defeats itself, and I am happy to include it for the RECORD.

Judging by his line of questioning, the reporter is obviously the more authentic capitalist. As Mr. Smith aptly comments at the close of the interview, the apparent idea behind a new RFC is to "socialize the losses and keep the profits private."

I ask unanimous consent that the Rohatyn interview, which I urge my colleagues to read carefully, be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

A PROMINENT WALL STREET DEFENDS HIS PROPOSAL FOR A REVIVED RECONSTRUCTION FINANCE CORPORATION

Should the Federal Government buy common stock in troubled private corporations in order to save lending banks, and the economy, from a possible string of major bankruptcies?

That idea was recently proposed in *The New York Times* by Felix Rohatyn of Wall Street's Lazard Freres, and it has picked up considerable support in recent weeks among the financial establishment.

"It is essential that we move in this direction," commented William McChesney Martin, former head of the New York Stock

Exchange, in a subsequent letter to the *Times*.

"I agree emphatically," wrote Gustave Levy, managing partner of Wall Street's Goldman, Sachs.

The idea deserves careful study, agreed Alfred Hayes, president of the Federal Reserve Bank of New York. A few days later, Chairman Roy Garrett of the Securities & Exchange Commission threw the SEC's weight behind Rohatyn's proposal.

What is going on here? Should scarce capital be allocated arbitrarily to the weakest links in the economy? Do we really want partial nationalization of major U.S. corporations? Should corporations be rescued from their own follies?

Forbes' Geoffrey Smith put these questions to Felix Rohatyn, merger maker for International Telephone & Telegraph and recently the architect of the proposed Lockheed/Textron association.

Apparently you fear there may be major bankruptcies on a large scale this year.

ROHATYN. Yes, that's true. I've felt so for some time. You have major airlines and some major manufacturing companies that are highly overleveraged and are in a situation that is structurally unhealthy. They have no way to raise equity because of the death of the equity market, and they're locked into tremendous debt structures and tremendous interest charges. Now the banking structure of this country is sufficiently fragile today that I think the banks are an area of genuine concern, when you consider the size of some of these overleveraged companies.

Now my proposal... I'm just looking for some tools to cushion this economic transition that might be much, much steeper and much, much harsher than we think. We have a world crisis today. The Arab oil money situation, which I find totally unworkable conceptually, is causing significant problems that are going to take some time to work out.

You feel there's a serious threat of a bank panic this year?

ROHATYN. I would think there is a risk, yes. Look, when you see a little bank like Security National and when the Chemical takes them over they write off over \$140 million of their loan portfolio.... You look at the real estate investment trusts, you look at the pension funds, you look at city, state and federal indebtedness and the money that is going to be required just to keep those government bodies going, you have to inquire how you're going to make all this come out.

That's the Fed's problem, isn't it?

ROHATYN. The Fed can pump money into the Franklin National to make up for withdrawals. But the Fed can't do anything to the bank's capital structure that all of a sudden gets out of whack because there is an enormous default and it has to write down surplus, even though no cash is going out. If I recall correctly, the Reconstruction Finance Corporation bought bank preferred stock in the Thirties to shore up bank capital structures. There isn't anybody around today that can do that. I think that was Al Hayes' point the other day.

Why should the Federal Government buy common stock in companies on the verge of bankruptcy? Why not just have the Government guarantee their debt?

ROHATYN. Because if you just run to Congress and ask them to lend more money or guarantee more loans, you're just perpetuating the problem. What Lockheed needs is not another \$100 million in credits on top of the credits it already has. That just increases the crushing amount of debt and interest charges.

In effect, you're asking the Federal Government to undertake out-of-court Chapter 11 bankruptcies refinancings.

ROHATYN. In a way that's correct. You see, what we discovered in the restructuring

of the Lockheed Aircraft company is that a relatively small amount of equity, properly infused, can trigger significant conversion of debt to equity by the banks, and relieve the corporation of very significant amounts of interest charges. At Lockheed, we turned an investment of \$100 million by Textron into a conversion by the banks of \$275 million of debt to preferred stock, and that \$275-million conversion, plus other reductions in interest charges, reduced the interest cost to Lockheed by \$100 million for the first two years after restructuring. Plus that \$100 million in equity releases \$250 million of government-guaranteed debt. So you could argue that from the Government's point of view, that's \$150 million plus.

*But the free market saved Lockheed. You were able to persuade Miller to invest \$100 million of Textron capital in the company. Why should the Government step in and do that?*

ROHATYN. Well, \$100 million is bumping up there, as far as Textron is concerned. Suppose the necessary amount had been \$150 million, which is not inconceivable. Then what do I do? I mean I just don't believe it's feasible in this economy to be totally dogmatic and say the marketplace is what makes us work, and if huge companies go down the drain, the hell with it!

You know, in the summer of 1970 the question arose as to whether we should let Hayden, Stone go under. People in my industry argued with great conviction: "Let it go! Why should we put up these monies for these idiots? Nothing's going to happen. There won't be a ripple." The position we took was: "O.K. That might really be the case. But look at the risk of it not being the case." If they were wrong, there was no way to put that thing together again.

You're talking about confidence, really. Two or three major bankruptcies in this climate, leaving aside the banks, would not be a negligible factor in consumer confidence.

*The world didn't grind to a halt when Penn Central went under. . . .*

ROHATYN. No, but you might find that if you had had an instrument like the RFC at the time of the Penn Central it might have been possible to restructure it and really bring it back to its feet over a period of two, three years. I think we're going to be paying for the Penn Central, as taxpayers, for the next 50 years.

*The management of a troubled company won't have to worry about solving the problem themselves. The RFC will take care of everything.*

ROHATYN. No, because that management is not going to be around.

*Theoretically, business failures are capitalism's occasionally harsh way of correcting maldistributions of capital, right?*

ROHATYN. That would probably be true if you were talking about a free-market mechanism. But let's take Lockheed again. Partly it was their own fault, but partly it was outside factors. You had a C-5A settlement. The Rolls-Royce bankruptcy. A fall-off in airline buying because of fuel cost. I wouldn't say that was simply a case of free-market forces working their will.

*It was investment bankers like you who told them they weren't leveraged enough, just a few years ago. . . .*

ROHATYN. I don't say the financial community is blameless. The greed of the investors. The earnings-per-share game that went on in the Sixties, which drove companies berserk so that they were leveraging themselves to the hilt in order to improve their earnings per share because that's what the analysts wanted. And some of these companies should have learned their lesson in 1970. But here they were last year buying in their own stock because it looked cheap and it was going to mean earnings per share and the hell with the balance sheet.

*And now the taxpayer, who has lost his shirt in the supermarket as well as in the stock market, should cough up some more cash to bail out these companies?*

ROHATYN. I wasn't really suggesting that the Government pay for this. I was suggesting that the equity in the RFC, or whatever you want to call it, be subscribed to by the Treasury in the amount of \$5 billion, but that that amount be repaid to the Treasury by a tax of 1% on the pretax profits of businesses earning over \$1 million. I don't think it ought to be inflationary and just taking money away from the Treasury. I also recommended that the RFC have the authority to offer up to \$10 billion in government-guaranteed bonds—the sort of thing you might get some of the Arab countries to invest their surplus oil funds in.

*So you'd be taxing IBM, and perhaps peddling bonds to King Faisal, for the purpose of bailing out W. T. Grant? Lots of luck.*

ROHATYN. From an industrial point of view, I'm not sure that the survival of W. T. Grant, certainly in its present form, is particularly vital. But on the other hand I don't know what impact its problems would have on the major banks in this country. I don't know the company well enough. The point is, I don't believe this RFC would be "bailing out" terminal cases. If there is no economic justification for the life of a particular company because its products are no damned good, or because they're priced wrong or because of other factors that make it obsolete, then you just wouldn't do it—unless they were such a large creditor of such a large bank that there would be some obvious reasons for trying to do something.

*Who decides whether a company has an economic reason for being?*

ROHATYN. Well, I suggested that the board of the RFC ought to include the Secretary of the Treasury, the chairman of the Economic Council, the chairman of the SEC and the chairman of the Federal Reserve Bank. Now I agree the thing you have to be most careful about is the potential for corruption and political influence-peddling. But I have to believe one can get some good people. And let's put a cutoff on it. Five years, say. Whatever happens, you liquidate it and turn its portfolio over to the Treasury, so people wouldn't make a career of this.

*Suppose a small company like Lazard Frères was in "structural difficulty"? Should it be bailed out?*

ROHATYN. I think it's irrelevant from the point of view of national interest whether Lazard Frères is in business three years from now. Or even whether Merrill Lynch is in business three years from now. But I do believe it makes a difference if a company employs 50,000 or 100,000 people, and if at the same time its pension fund is \$300 million to \$400 million under-funded because the stock market's gone to pieces, if—in the middle of an economic recession—we shut that company down, put those people out in the streets, and then find the pensions they were looking for are no longer there.

*Wouldn't this create a great opportunity for speculators? Pan American Airlines paper would take off the very day an RFC was created.*

ROHATYN. We may be seeing great economic opportunities in terms of equity investments, if properly made. That is, providing companies can be restructured. Remember that the RFC would own part of the equity and ultimately will make many billions of dollars on its investments. And that's taxpayers' money that we are talking about here!

*So it's sort of a self-fulfilling prophecy! The troubling thing is that it amounts to nationalization of major U.S. corporations.*

ROHATYN. Because they might own 25% of a company? O.K. Maybe. But don't you think that the Defense Department has ef-

fective control over defense contractors today? Or that the Government has semi-control over the airlines industry by its granting of routes and its setting of rates?

*The performance of nationalized companies in, say, Britain is scarcely encouraging.*

ROHATYN. Oh, it's a disaster! It's hardly conceivable to run something worse than the way the Government runs something! If the RFC works, it won't be a first step in that direction, however. Just the opposite. We're talking about temporary equity investments by the Government. Two, three years might be sufficient for a Lockheed or a major airline that may have a temporary problem.

*Are you saying that if we don't get an RFC we're in for a full-scale economic collapse?*

ROHATYN. I'm saying that the present situation is serious enough so that I would like to have an additional contingency instrument that can be used for certain types of crises—as insurance at least.

*As a boardroom philosopher once remarked: Socialize the losses and keep the profits private!*

## THE NUCLEAR DEBATE

Mr. CANNON. Mr. President, as the 94th Congress moves forward with its deliberations on the complex problems of developing domestic energy sources, I would like to take this opportunity to acquaint my colleagues with an issue which has generated much controversy in my own State of Nevada.

Mr. President, as you know, nuclear energy has frequently been mentioned as a possible substitute for traditional fossil fuels in the campaign against energy dependence on foreign countries. The continuing dialog between pro-nuclear-power individuals and anti-nuclear-power individuals has increased the public awareness of the various aspects of the nuclear controversy and focused attention on the need for safe and efficient management of nuclear materials, particularly the storage of radioactive wastes.

Last September, the Atomic Energy Commission issued a draft environmental statement on the proposal to develop repositories for the storage of radioactive wastes, and the Nevada Test Site, located in southern Nevada, was mentioned as one of the three leading sites for the location of such a facility.

On September 24, 1974, the Governor of Nevada, Mike O'Callaghan, appointed an 18-member committee to investigate the AEC proposal, and on October 17, 1974, this committee recommended with certain reservations that Nevada remain on the AEC consideration list of possible dumping sites, which also includes the Idaho National Engineering Laboratory and the Hanford Reservation in Washington.

The AEC held public hearings on November 12, 1974 in Germantown, Md., and on December 12, 1974 in Salt Lake City, Utah. Upon the basis of these hearings and the individual letters being sent to the AEC on a daily basis, the AEC Board of Examiners will make recommendations to the Administrator of the newly established Energy Research and Development Administration—ERDA—

regarding any specific choice of a Federal site for storage of radioactive wastes.

The constituent mail that I have received on this issue encompasses a wide range of opinion. Many feel that the selection of the Nevada Test Site would greatly benefit the Nevada economy, especially during these austere times we are now experiencing, while others warn against the environmental and health hazards connected with the radioactive material.

However, regardless of one's position as to the benefits or dangers of nuclear power, there can be no doubt that public input is vital to the formulation of an integrated national energy policy. My own view is that we in this 94th Congress have a special obligation to enlist sufficient public dialog to insure an acceptable solution to the many-faceted problem of decreasing our dependence on foreign energy sources.

To those in Congress and throughout the country who take an interest in the nuclear debate, I ask unanimous consent that the following statements be printed in the RECORD: The first statement appeared in the North Las Vegas Valley Times on December 17, 1974, reporting the testimony of Bill Flangas in support of a nuclear waste disposal site in Nevada. The second statement was given by Maya Miller at the November 12, 1974 AEC hearings in Germantown, Md., and is in opposition to the selection of a Nevada site.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### NEVADA ENGINEER SUPPORTS A-DUMP SITE

The following is the testimony of Bill Flangas, a well known Nevada mining engineer, at a Salt Lake City hearing on the proposal to place a nuclear waste disposal site on the Nevada Test Site.

Flangas, who favors the site, is chairman of the Nevada State Public Works Board, whose duties include site selection for facilities built by our own state. He is also uniquely familiar with radioactive materials, as the mining engineer who supervised reentry into the tunnel of the first wholly-contained underground nuclear detonation at the Test Site in 1958-59. He is a native Nevadan and graduate of the famed Mackay School of Mines of the University of Nevada at Reno.

There are six key reasons why the Nevada Test Site should be selected as a national repository for these wastes. They are as follows:

1. Availability of professional and craft skills
2. Appropriate geography.
3. Possibilities for permanent geologic storage
4. Geological and hydrological suitability
5. Availability of facilities
6. Public acceptance.

The Nevada Test Site at Mercury has prominently served the nation as an outdoor laboratory for weapons testing and Plowshare tests dating back to 1951. During this period, a great number of nuclear events have been detonated, both in the atmosphere and underground, and we have a highly skilled cadre of professional, technical and craft personnel who are thoroughly schooled in the business and have the ability to cope with the inherent hazards. This capability also includes a highly sophisticated and extensive meteorological and radiological pro-

tection network, and personnel available both on and off site.

The Nevada Test Site has compiled an enviable safety record in all facets of testing activities. Heavy construction, drilling and underground mining operations are very dangerous occupations that entail considerable risks and account for many accidents in the country. Some of the best, if not the best safety records in the field have been compiled by the people working at the Nevada Test Site.

Nevada Test Site personnel are highly skilled in all aspects of safety, both onsite for employees and offsite for the public. This safety program involves such agencies as the U.S. Environment Protection Agency, the U.S. Air Resources Laboratory, the U.S. Geological Survey, the U.S. Bureau of Mines, and many others.

Over a period of years of testing at the Nevada Test Site, good communication has been established with the surrounding communities in relation to Test Site activities that enable the best possible effort to be made toward maintaining public safety.

The Nevada Test Site is located in a sparsely populated area some 65 miles northwest of Las Vegas, and amounts to some 1350 square miles located on three sides within the boundaries of the Nellis Air Force Range. Nevada Test Site is remote; it has a large area for testing purposes; it is already dedicated to nuclear purposes and has no population or agricultural encroachment.

No river systems, or fast moving underground aquifers, or public highways run through the area. Surrounded by mountain ranges, it has a built-in natural security that can be and has been easily maintained.

While NTS is well suited for retrievable surface storage, it also has strong possibilities for permanent geologic disposal. A mining engineer, I can tell you that we can tunnel into hard, dry, competent rock and store the wastes there, no matter what form the wastes are in, for geologic periods of time.

For those wastes to be disturbed would take a geologic upheaval so catastrophic that the escape of any of those wastes would be of little consequence by comparison to other damages.

We also have the capability, unique in the world, to drill large diameter holes (up to 120 inches in diameter) several thousands of feet deep into rock and geologic formations that would be acceptable for geologic storage.

There also has been proposed by the Lawrence Radiation Laboratory an in situ permanent disposal method that contemplates injecting liquid commercial power reactor wastes into deep underground cavities in silicate rock. The wastes are allowed to self-boil and the steam recycled in a closed system.

When no further wastes are added, the cavity is allowed to boil dry, the heat melts the surrounding rock, the rock cools and solidifies, trapping the radioactive materials in an essentially insoluble rock matrix deep underground. This is essentially what happens with underground nuclear detonations; the rock, melted by the detonation, resolidifies and traps the radioactivity deep underground. There already are at NTS more than 350 pockets of this rock—trapped radioactivity from underground nuclear tests.

What I am saying is this. NTS is already committed to the storage of radioactive wastes safely deep underground. If the retrievable storage facility were located at NTS, I'm certain further study would show NTS suitable for deep underground disposal, thus eliminating the need to move the stored wastes except within the boundaries of NTS.

Because of the numerous underground testing and drilling projects conducted at the Nevada Test Site over the years, its geological and hydrological suitability has been

firmly established and there is no doubt the Nevada Test Site is one of the most highly studied and geologically mapped areas that exist anywhere in the world.

The unique surface and ground water conditions at NTS provide excellent protection against contamination of water aquifers, most of which flows into closed basins on site. Surface water must filter down through several hundred to thousands of feet of alluvial fill, then through an average of one thousand feet of volcanic tuff including zeolitized and clay zones, and finally into the underlying carbonate rocks before the water can migrate offsite.

Measurements of the flow rates in the tuff by USGS indicate that one hundred thousand to one million years are required for water to pass through the volcanic tuff, and any radioactive fission products in solution decay to harmless levels by then.

We don't believe that any spills would occur which would contaminate NTS ground water. If ground water were contaminated in the worst possible case, other safety factors besides radioactive decay during the long exit time from NTS would apply. To the best of my knowledge, no other area under consideration offers this. The zeolitized tuff is Mother Nature's water softener which removes fission products and fissionable metals from water by ion exchange.

Based on scientific evidence, not theory, we have seen no radioactivity from nuclear testing in the water of NTS wells, even though one of the wells in Yucca Flat is in very close proximity (within six thousand feet) of a nuclear test ground zero. We have sampled and analyzed water from all operating NTS wells (up to 15 of them) in a routine, continuous, monthly basis for the past 12 years.

A third safety factor is dilution of NTS water as it migrates offsite. Calculations of Yucca Flat's ground water recharge versus discharge of NTS and additional underflowing water at the Ash Meadows spring line, about forty miles to the southwest, indicates that Yucca Flat water is highly diluted as it slowly migrates offsite. These safety factors make Yucca Flat and surrounding areas ideal for near-surface storage of radioactive wastes.

At the north end of the Test Site are two granite stocks that are about 93 million years old and have withstood 20 million years of vulcanism and seven million years of earthquake and faulting. Fault locations have been controlled by the stocks and forced to go around or die out at the edges.

The stocks are between one and two miles in diameter at the surface, and increase in diameter with depth. They are known to be at least 15 thousand feet deep and probably extend several more miles in depth. The small amount of water in the stocks is virtually isolated from Yucca Flat.

In short, much of the Nevada Test Site is unique closed basins and massive geologic structures which geologically and hydrologically inhibit water migration from the Test Site.

We have a considerable capital investment in available buildings that can be modified for use at minimum cost. The Nuclear Rocket Development Station, now a part of NTS, presently has facilities available which could readily be modified to serve as receiving and handling facilities for encapsulated radioactive waste.

The principal facility that could readily be adapted is the E-MAD building at Jackass Flats. The E-MAD (which stands for Engine Maintenance, Assembly and Disassembly Building) is 80 feet high, enclosed in a fenced area of 36 acres, and contains 100 thousand square feet of floor space. It is heated, ventilated and cooled by eleven separate systems, comprising a total of 30 supply and exhaust air fans.

There are 600 kilowatts of interior and

exterior lighting, a 75 thousand-gallon water storage tank, 31 large power operated shielding doors, 40 lead glass shielded windows, a 12-channel closed circuit television system, and a 21-channel internal communication network that ties together all the working areas. Two 300 horsepower boilers and an 800-ton 2-stage centrifugal refrigeration system provide the facility with temperature and humidity control.

Included in the special remote handling facility are an overhead bridge crane of 40 tons capacity, with a 10-ton auxiliary hook, two unique sidewall manipulators capable of handling loads up to 600 pounds at the end of a 35-foot arm, a 35-foot diameter turntable of 80-ton turning capacity, three scanning and photographic periscopes and ten master-slave manipulators.

The E-MAD complex comprises 8 different functional areas, receiving and storage, cold assembly, hot disassembly, hot cells, shops, office, facility circuit systems, and the remote-controlled railroad system. Construction was completed and activation of systems started in 1965. The overall cost of the E-MAD complex including circuit facility, railroad systems and facility equipment, exceeded fifty million dollars.

We believe the E-MAD facility, since it was designed to handle highly radioactive materials remotely, would, with modification, be ideally suited as a receiving facility for handling commercial radioactive waste.

Thousands of NTS workers and their families live in Las Vegas and have developed a high degree of confidence in the AEC and the safety of Test Site activities. The outstanding job safety record at NTS and the safe conduct of nuclear testing have both contributed to this confidence. Both local population and tourists scarcely nodded when nuclear weapons were being detonated above the surface, not too many years ago.

On a coldly scientific and technical basis—NTS is the most logical of the three sites being proposed. However, in addition, the continued economic benefits to be realized from locating the RSSF in Southern Nevada are well recognized by hardheaded business and community leaders.

Nevertheless, these community leaders would not take risks with their families or their businesses for these economic benefits. They, too, are convinced that NTS can be used safely for radioactive waste storage.

Several prominent labor leaders in our community also have endorsed the location of this facility at NTS. They too, are cognizant of the many ramifications of the nuclear business and are very proud of their contributions toward our preeminence at NTS in this field.

Storage of high level contaminated radioactive waste at NTS is compatible with underground nuclear weapons testing which has already essentially stored radioactive wastes in some surface areas and numerous underground areas without hazard to the public. Radioactive waste storage and management is a natural follow-on to serve as a future mission for NTS.

I have reviewed the data concerning shipment of high level nuclear wastes and particularly noted the provisions made for shipping the high level nuclear wastes. I am completely satisfied that the hundreds of tests that have been conducted on the shielded shipping casks are going to provide us with highly reliable containers.

The design that includes such items as the ability to withstand a free fall from a height of 30 feet onto an unyielding surface, a free fall from a height of four feet on a six-inch diameter steel rod, heat input from exposure of 30 minutes to a fire having a temperature of at least 1475 degrees Fahrenheit, and total immersion in water for eight hours is reassuring.

Much has been said in recent years, on developing alternate sources of energy, such as

solar power, harnessing the winds and tides, geothermal energy, etc. I approve of continuing our efforts to develop these. I also realistically recognize that breakthroughs here are many years away. Nuclear energy is a now proposition and in my opinion is our best approach to meeting our energy needs, for several decades.

An abundant and reliable source of energy reflects the strength and vitality of our nation. I get deeply concerned over the negativism that has surfaced again and again in recent years in relation to anything technical, particularly in regard to power generations. I have been intimately acquainted with nuclear weapons development for the past 16 years, I readily admit that I don't know everything there is to know about this business, but the one thing I know for certain, I don't ever want to be in second place.

I don't fear the future and I have great faith in our ability to meet the complications and hazards involved with developing alternate sources of energy to meet our needs. I do fear the hysteria and the inaction and the poor judgment that is constantly leveled in this field.

There is risk in all progress. Only those who are willing to move out after proper study and evaluation of risks are entitled to the fruits of progress. This is not a license for recklessness, but a call for action and decision, once our best technical evaluations have been made.

In southern Nevada, we have the skills, the desire, the area, the geology and the need for this project. We have a local population acclimated to nuclear activity. We are proud of our contribution to the Nation's security and are cognizant of the economic benefits to our community.

There is no doubt in my mind that our preeminence in nuclear activities has been the keystone of maintaining the world peace.

There is no doubt in my mind that the United States must remain preeminent in this business. Abundant and reliable energy is an essential ingredient.

#### TESTIMONY BY MAYA MILLER

I am Maya Miller of 1685 Franktown Road, Carson City. A Nevada resident of 30 years, I have worked on environmental and human issues as state president and national board member of the League of Women Voters, and on the boards of such citizen organizations as the League to Save Lake Tahoe, the American Friends Service Committee, the Children's Foundation. Most recently I have spent almost six months in southern Nevada as well as around the rest of our state campaigning—unsuccessfully—for the Democratic nomination for the United States Senate. In that effort I spent a good deal of time with the employees of Mercury as they started their morning 2-hour commute to the Test Site, and campaigning outside the Site itself at the well-guarded gate. I have a keen sense of its remoteness.

I have come to Maryland out of my deep concern for the potential damage which your plan for a nuclear waste dump at this Nevada site may do to our land and air and water—and ultimately to our people. I speak as a concerned citizen. I speak for myself, and for those others alerted and worried at this time who have asked us to speak for them, for those who have not had the chance or the information yet to be worried, and also, I would add, for those who will never worry, but perhaps should, for they too may be poisoned.

The first question I must ask is: "Why have I had to travel from Washoe Valley, Nevada to Germantown, Maryland at my own \$500 expense in order to testify? Why are your hearings not nearer the three sites under consideration?"

We are aware of the Governor's committee hearings in Las Vegas and Reno, and before starting my complaints, I have a few kind

words of appreciation. For the Governor for appointing such a review committee. For the Committee for serving, especially for those who took the time and care, like Dr. James Deacon, to spell out their reactions to the AEC Draft Environmental Statement in careful detail. And most of all, our appreciation for the Committee's delightful double negative in its final report to the Governor, in which it is said in essence, "We cannot recommend 'yes' and we cannot recommend 'no'." All we can recommend is 'not no.' We like that, for it seems to lead to the focal point of all our citizen suggestions: We want time and open dialogue.

#### THE HEARING PROCESS

But having said that, I must register our serious misgivings about the manner and timing of the hearings thus far.

We understand that you have known for over a year that these sites were under consideration. The Governor's Committee had less than a month to form itself, do its homework, and make its recommendations. On such a subject, one month! The only materials furnished were those of the promoter, the AEC. None of the wealth of citizen information and scientific data opposed to the proliferation of nuclear waste was supplied. And to our knowledge, the Committee did not seek out any of those citizens nearby who brought protests to get more information from them and so balance its decision-making base.

The only hearing held in northern Nevada illustrates the deficiencies of the hearing process. The announcement was in the newspaper on October 10, page 26, in a small two-inch box, looking like an announcement of bankruptcy (which it may be), but sounding no public alert, and bearing word of a hearing to be held from 4 to 8 P.M. on a Friday afternoon a day and a half later. How are citizens, themselves busy and with their own plans, expected to appear in response to a call like that? At that hearing, understandably poorly attended by the public, and understandably not attended at all by the Governor's Committee (except for one member part time, Dr. Maxey) we citizens concerned about the issue enough to come from many miles distant, had to testify into a faceless, mindless court-reporting machine. No opportunity at all for dialogue. A piece out of Dr. Strangelove.

Other citizens, experienced with leaks at other atomic dumps, leafletted and spoke informally with signs and voices at Carson City.

In Las Vegas the hearing process was the same. Even so, the Las Vegas Review Journal carried the banner headline, Nevadans Veto AEC Plans.

But the Governor recommended you keep alive your consideration of Nevada, the Nuclear Waste Dumpsite for Commercial High-Level Radioactive materials, so we citizens must persist in getting our viewpoint heard. Somehow, you, and the Governor's office, and we the citizens of Nevada, and the citizens of all those states through which your radioactive materials would be transported, and the taxpayers nationwide who will be supporting this expensive energy source with their taxes, altogether we must work out a better means for public debate and wide-open discussion on this so potentially dangerous and so astronomically expensive, and hence so controversial, subject."

We agree with the thrust of the Western Interstate Nuclear Board's criticism of the Draft Environmental Statement, low-keyed and modest as its suggestions are:

"The AEC should consider preparation of a working series of documents suitably written for public understanding, and not necessarily as the specific environmental impact statement for interim storage. . . . And the governor's advisory committees must be given access to all data and information

affecting their State. . . . Public meetings should be held at regular intervals and at various locations around the State. If questions raised by the people at these meetings cannot be answered, every effort should be made to obtain answers by the next meeting. Full disclosure may well be the key to acceptable waste management."

But how do you make this come to pass so that you, the promoters, the federal bureaucracies and your constituent private contractors, and we the citizens, who have no paid jobs nor official status nor vested interest, can talk together ourselves, and in turn be heard by the larger community? How do you make it possible for you, the powerful AEC, or ERDA, to hear the woman with the 3-year-old child whose world she worries about? And how can she hear you?

Have you genuinely assessed the obstacles to this dialogue? Your language is esoteric to us; ours is emotional to you. Your public relations people have healthy expense accounts and salaries, and planes to move around with, and secretaries to write and duplicate their messages. More often than not, ours speak at their own expense and out of an already too-tight family budget and crowded job-and-child care time limitation. This is part of the reason you must schedule plenty of time for dialogue. And you must start thinking about also scheduling money for the protestants if a dialogue is to be carried on.

#### TIME

When we recommend to you a moratorium, time is what we mean: time for real understanding of what we are getting into; a request that you cease spending our tax dollars on expensive preparations for something we are not sure we want. (We are well acquainted with the problem you create when so many dollars have gone into a project that the investment itself becomes an argument for continuation. But we have also seen with the SST what can happen in America when an informed and aroused public understands the social and money costs and says to its Congress like wise investors: Stop! cut our losses, and let us rethink our need!)

If the present near-catastrophic financial state this country is in should have taught us anything, it is that we must carefully measure our needs, and then demand accountability of the private and public sectors in supplying those needs.

We need time.

We need time to analyze your budget, as it fits into the larger national budget. Can we afford the costs you are proposing? Will we have the resources to pay? Or will our children? How do the costs for this source of power compare with others, geo-thermal, solar, wind? We want a flat-out cost estimate and cost comparison, complete with all the hidden costs of today and tomorrow. You all in the federal agencies get very familiar with millions and billions. For one casket for transport and burial of this radioactive waste, you estimate \$500,000 to \$1,000,000. But we are dealing daily with a home to pay for, food to eat, a school to learn in, and that million would buy a whole school, 40 or 50 homes, a year's food for 1,000 families. And before we make that investment of yours, for dead and poisonous waste, we need to understand what it is we are buying. And we need to evaluate the alternatives.

We need time to explore other sources of energy, less dangerous, less commanding sources. Our fear is that your commitment to this one source will lock us in, and as a nation we will be unable or unwilling therefore to explore diligently for other energy supplies.

We need time to understand what the effects will be on our land, our water, our air, and on our people. We are your land-owners, you see. Every American, no matter where he lives, is your landlord, for the land you

contemplate using, all 1,350 square miles of it, belongs to the people of the United States. We have read your rationale for the containment of the poisons within that 1,350 square miles, but we note serious differences of opinion on the part of reputable scientists about the speed with which contaminants will move in the subterranean water flow, and the extent to which leaks into the air may cause a permanent poison there. In the hazards you are flirting with you deal not simply with the frills of our life, but with the absolute basic elements: water, air, soil. These are elements we know we need, but. . . .

. . . . We need time to find out if we really need all this electricity which the power companies and you project. Just because you have estimated demand does not mean that a true need exists—especially if measured against human health. Before you start analyzing sites for waste, we want you to stop and ask yourself, is this waste necessary?

We need time to learn how we can conserve energy. We are still wastrels and fat with over-consuming. But that is a habit of living that need not continue. If we are truly faced with fewer light bulbs or more poisons, we may decide on some changes in our life style.

And we need time—before we build the nuclear plants—for a level of planning such as has never been known in all previous human history. We measure our lives by a few tens of years. Radioactive wastes we measure by thousands of years. Are we capable of making such long-term engineering systems infallible to human error or natural catastrophe?

We do need time.

As one of our citizen protestants said, Your agency has been around thirty years and you're still talking about imperfect, "temporary" storage. And you want the citizens of Nevada to decide in one month if we will host these wastes, and thereby make way for the burgeoning of nuclear electric power plants all over the country, from 40 or so today to 1,000 projected for 25 years hence. One month for us to decide, and 12 million months of radioactive wastes stored on our land!

#### BURY IT NOT ON THE LONE PRAIRIE

This waste belongs to all Americans. Its projected energy needs are mainly for communities on the eastern coast. Before you bury the body in our backyard, and get it thus out of sight, out of mind, we would like to have you entertain the notion of burying it nearer to the place where you produce it. That way when there are leaks, the producers will halt the production right away until a cure is found. To quote a Silver City citizen:

"Propose: to store the world's radioactive waste under the Pentagon.

"Justification: Ideally suited for maximum monitoring & maintenance. Any technical advances in waste disposal could be most readily implemented. Seismically, low activity. The hazards upon urban concentrations 'minimal' as the reasons for siting nuclear power plants close to such concentrations. Safety, according to the AEC, is maximum."

#### OPEN DIALOGUE

One of the chief concerns of citizens about the AEC mode of functioning has been your secrecy. Left over from your wartime birth and your development during the cold war, much of that secrecy seems outdated today. It severely blocks citizen understanding of the issues and values at stake.

Many of the people we speak for believe from their experience that the Atomic Energy Commission does not want to have maximum public dialogue. You do not seem to want to advertise views and fears which run counter to your plans. They believe that you would never of your own impetus bring to public

light the work and apprehensions of scientists who oppose expansion of such projects as the one under discussion. They suspect that that is one reason you want to store this waste in our remote part of the world. They have noted the inability of the AEC to act upon the tons of lethal materials lying about the west in talling piles, the 100-acre dump in Salt Lake City where some say a million and a half tons of radioactive tallings lie emitting radon gas 50 times the federally-established maximum levels. They wonder about the incapacity of the EPA and the AEC to neutralize this material. And they believe that secrecy hides a multitude of problems which the public is shielded from, and allows a dangerous lassitude on the part of the agency about solutions. Public alarm has to come from full disclosure. And public alarm, if it is warranted, should come early.

#### CONSUMER ADVOCATE

We think you need a Consumer Advocate, someone whose separate responsibility it is to speak our concerns, who would seek out and engage those technicians and scientists who share our anxieties, who would help us formulate our press relations with the same commitment of public money and energy which your one side now enjoys.

The Draft Environmental Statement, WASH-1539, is a case in point. We find it, like many such reports, an apologist's document, fat and slovenly. It leaves out much. Filled with information designed to prove the promoter's point, it leaves out critical information which would weigh against purchase of the product (analysis of seismic hazards in Nevada and other areas, the experience of the Hanford and other leaks, for example).

#### QUESTIONS

We find we are left at the present time with a mass of questions. For openers we include a couple of pages' worth.

Basically, what we are asking is a pause for clean-up and thinking.

You and I are like the Mad Hatter and Alice at the former's Tea Party. We drink tea, and as each cup becomes empty you call out, "More cups, more cups!" and we move down the table. That seemed totally reasonable to the Mad Hatter. And it seemed reasonable for our frontier-forging American forefathers. But it is not reasonable for us. It is mad. Today we cannot keep tossing our wastes away and forgetting them. And we cannot keep thoughtlessly creating waste for our own self-indulgence. We've got, in short, to get our heads around using what we need to use, living with what we see we have to live with, and cleaning up as we go. We cannot keep leaving dirty cups for mother to deal with or to be left about to poison generations down the line. Today's subject is the filthiest waste of all.

#### PLACING THE ROLE OF CONGRESS IN A BALANCED PERSPECTIVE

Mr. METCALF. Mr. President, critics of the Congress have been increasingly quick lately to charge that the legislative branch has been doing a poor job in meeting its responsibilities to the Nation. Foremost among these critics is President Ford, who has accused the Congress of obstructing his policies without developing its own alternative programs.

A careful reading of recent history will reveal, however, that most of the initiatives for change and for progress have originated in the Congress. I therefore recommend for the reading of my colleagues and the public an article by Spencer Rich in the Washington Post

on February 14 which puts the role and the performance of Congress in a balanced perspective.

I ask unanimous consent that the article by Mr. Rich be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS HAS LED IN MAJOR PROGRAMS  
(By Spencer Rich)

Although it is fashionable to declare that Congress by its very nature lacks the capacity for leadership on national issues, the fact is that many of the most important national programs and policies of recent years have been initiated on Capitol Hill and forced on an unwilling President.

In recent days President Ford has accused Congress of obstruction, of delaying presidential initiatives without developing programs of its own. And, to be sure, Congress moves slowly, possesses an unbelievable capacity for quibbling and political showboating, argues an issue and chews it over 100 times before digesting it, compromises on everything, makes backroom deals and takes numerous undeserved vacations.

But despite all these failings, it is Congress and not the White House that has initiated and nurtured:

- Medicare.
- Social Security disability insurance.
- Pension reform.
- The 18-year-old vote.
- Political campaign reform.
- Clean air and auto-pollution controls.
- The Indochina war cutoff.
- Key laws against dangerous chemical additives in foods.
- Consumer product safety and warranty laws.

Much of the landmark civil rights legislation that Lyndon B. Johnson pushed to passage when he became President.

Major Social Security benefit increases.

Still-to-be-passed proposals for no-fault auto insurance and for a federal agency to argue the consumer position before rulemaking agencies.

Mandatory auto safety standards.

Major investigations of gangsterism, labor racketeering, the drug industry and multinational corporations.

Recent improvements in food programs for the poor and in the minimum wage.

Congress leadership was demonstrated in the way the Senate Foreign Relations Committee, headed by then Sen. J. W. Fulbright (D-Ark.), publicly took up the antiwar cause as early as 1965, gave it publicity and respectability through hearings, uncovered covert military operations elsewhere in Indochina and exposed the inconsistencies in the White House's reports on the Gulf of Tonkin incident.

The committee's activities played a large role in crystallizing public opinion against the war.

This, in turn, helped press both Johnson and Richard M. Nixon to seek a negotiated end, and to brake escalation of the U.S. military effort. In 1973 Congress legislated a flat cutoff of all U.S. military combat activities in Indochina.

The evolution of Medicare—federal medical insurance under Social Security for persons over 65—is another illustration of congressional initiative.

In 1957 a Rhode Island congressman on the Ways and Means Committee, Almer J. Forand (D), sponsored a Medicare bill with the backing of the AFL-CIO and medical and welfare groups. The Forand bill won Senate sponsorship from John F. Kennedy (D-Mass.), but was opposed by the Eisenhower administration and by the 1960 GOP presidential nominee, Nixon. Congressional Demo-

crats pressed it, however, and Kennedy made it an issue in his 1960 presidential campaign. It was enacted in 1965.

Pension reform is another good example. It was pioneered in Congress by Chairman Harrison A. Williams (D-N.J.) and senior Republican Jacob K. Javits (R-N.Y.) of the Senate Labor Committee, faced strong opposition from the White House on many major safeguards, but finally was passed despite continued White House misgivings.

The 18-year-old vote had broad support, but the White House under President Nixon wanted it accomplished by a constitutional amendment, which would have taken years. Sen. Edward M. Kennedy (D-Mass.) had the idea of attaching it to a 1970 bill extending a major civil rights law. Majority Leader Mike Mansfield (D-Mont.) took up the thought and engineered a successful Senate vote, the House accepted it, and the President—after some hesitation finally signed it.

Kennedy and Senate Minority Leader Hugh Scott (R-Pa.) were also the chief advocates of public financing for presidential elections, enacted by the last Congress despite White House opposition. And it was Kennedy who, a year ago, initiated the drive for tax cuts to stimulate the economy, which has now been endorsed by everyone, including the White House.

The consumer protection agency bill, drawn from an idea first espoused by the late Sen. Estes Kefauver (D-Tenn.), became a serious proposal in 1969, when Rep. Ben Rosenthal (D-N.Y.) and Sens. Abraham A. Ribicoff (D-Conn.) and Warren G. Magnuson (D-Wash.) put the idea in its present form and started a campaign for passage. White House opposition and business-backed filibusters have killed it so far, but enactment by this Congress appears likely.

In sum, Congress was designed by the Founding Fathers to operate slowly, with deliberation and with compromise, and it is not structured to rush controversial proposals through smoothly. But it gets a lot of input from the public, and its stumbling, brooding deliberations often result in important new ideas and initiatives unconceived by a President, despite all his direct power and advisers.

#### PUBLICATION OF THE RULES OF PROCEDURE BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, pursuant to the requirement in section 133B of the Legislative Reorganization Act of 1946, I submit for publication in the RECORD the Rules of Procedure adopted for its own governance by the Committee on Rules and Administration on January 22, 1975.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

#### COMMITTEE ON RULES AND ADMINISTRATION: RULES OF PROCEDURE

(Adopted February 4, 1971, pursuant to Section 133B of the Legislative Reorganization Act of 1946, as amended. Readopted without amendment, January 17, 1973, and January 22, 1975)

##### TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 801, Russell Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee shall be open to the public except during executive sessions for marking up bills or for voting or

when the committee by majority vote orders an executive session. (Sec. 133(b) of the Legislative Reorganization Act of 1946, as amended.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business, committee business and referrals will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate nonagenda topics.

##### TITLE II—QUORUMS

1. Pursuant to sec. 133(d) 5 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to rule XXV, sec. 5(a) of the Standing Rules of the Senate 3 members shall constitute a quorum for the transaction of routine business.

3. Pursuant to rule XXV, sec. 5(b) 3 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Subject to the provisions of rule XXV, sec. 5(a) and sec. 5(b), the subcommittees of this committee are authorized to fix their own quorums for the transaction of business and the taking of sworn testimony.

5. Under no circumstances, may proxies be considered for the establishment of a quorum.

##### TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Secs. 133(b) and (d) of the Legislative Reorganization Act of 1946, as amended.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Sec. 133(d) of the Legislative Reorganization Act of 1946, as amended.)

##### TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorized to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the

senatorial long-distance telephone regulations and the senatorial telegram regulations.

#### TITLE V—HEARINGS

All hearings of the committee shall be conducted in conformity with the provisions of sec. 133A of the Legislative Reorganization Act of 1946, as amended. Since the committee is normally not engaged in typical investigatory proceedings involving significant factual controversies, additional implementary rules for hearing procedures are not presently promulgated.

#### TITLE VI—SUBCOMMITTEES

1. There shall be seven, three-member subcommittees of the committee as follows:

Standing Rules of the Senate  
Privileges and Elections  
Printing  
Library  
Smithsonian Institution  
Restaurant  
Computer Services

2. After consultation with the ranking minority member of the committee, the chairman will announce selections among the members of the committee to the various subcommittees (and to the Joint Committee on Printing and the Joint Committee on the Library) subject to committee confirmation.

3. Each subcommittee of the committee is authorized to establish meeting dates, fix quorums, and adopt rules not inconsistent with these rules.

4. Referrals of legislative measures and other items to subcommittees will be made by the chairman subject to approval by the committee members.

#### TESTIMONY ON BUSINESS CONDITIONS BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, as part of the annual hearings on the President's economic message, the Joint Economic Committee received testimony on January 28 concerning problems experienced by business in coping with the present recession and inflation. Donald T. Regan, chairman of Merrill Lynch and Co., Inc., discussed the financial situation. Thomas Galligan, president of Boston Edison; Donald Crawford, president of Edison Electric Institute; and Stanley Ragone, senior vice president of Virginia Electric Power Co. described the dire state of electric utilities and offered ways to improve their situation. Milton Stewart, president of the National Small Business Association, evaluated the specific difficulties that affect small business.

Regan said that Federal deficits of about \$80 billion could be handled by capital markets over the next 2 years without severe disruption. If the deficit rose to \$90 billion or higher, though, lower quality borrowers and utilities would likely suffer. In order to keep the deficit from rising to a dangerously high level, Regan suggested that all increases in Federal spending be adjusted by offsetting budget cuts.

Relative to business finance, Regan explained that business growth has been financed through increases in debt-equity ratios, which could cause serious capital market pressures in the next few years. Companies shun equity financing to offset debt, however, because they believe the market price of their stocks makes their sale a give-away. Regan offered three major policies to relieve

pressures in the capital market: First, a more liberal capital gains policy; second, no special withholding tax on foreign investors; third, a corporate tax deduction for dividend payments.

Messrs. Galligan, Crawford, and Ragone agreed both on the nature of the problems affecting utilities and on the policies needed to solve them. All vigorously opposed President Ford's energy tax and tariff policies on the grounds that they were highly discriminatory and inflationary. Galligan estimated that the President's program would cost New England consumers alone \$800 million. In addition, the President's program pressures heating oil users, who Galligan feels are conserving as much as they can.

All called for regulatory reform, increases in the investment tax credit for utilities, expansion of nuclear capacity, and easing of environmental regulations. Crawford and Ragone modified Regan's suggestion that corporate dividends be tax exempt, by asking that it apply to both payor and payee.

Stewart blasted both big business and big government. He called the present recession the most serious of the post World War II period and the first of the "Dinosaur Economy Capers." He argued further that big business and government are inept, because they did not forecast, plan for, adjust to, or manage major change in the capital and energy areas. "The collapse of a Lockheed or Penn Central or the next King Kong Konglomerate to go, brings down thousands of jobs, thousands of stockholders, and many millions in asset value."

He elaborated on the dangers of the proliferation of large corporations and concentrated industries. "What is most distressing is the prospect that the relative shrinkage of the competitive section of the economy may be losing us the resilience and swift recovery ability that a diverse economy permits."

Stewart requested special tax relief for small business to ease its recovery. He called on the Federal Government to make the corporate tax rate more progressive, to raise the corporate surtax exemption, and to increase the investment tax credit to 20 percent for small business and also to have it apply to people as well as equipment.

I believe that this testimony, from a diverse cross section of the U.S. business community, offers us an honest and clear appraisal of serious problems that beset our economy. They surely bear directly on important and difficult decisions that Congress will be making constantly throughout this year.

Mr. President, I ask unanimous consent that the prepared statements that I have just reviewed be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY BY DONALD T. REGAN, CHAIRMAN, MERRILL LYNCH & CO., INC., BEFORE THE JOINT ECONOMIC COMMITTEE OF THE CONGRESS OF THE UNITED STATES ON TUESDAY, JANUARY 28, 1975

I appreciate your invitation to appear here today before this important Joint Committee of the Congress. While I recognize your

responsibility and interests range across the entire economic spectrum, I shall concentrate on the capital markets—the impact on them of proposed anti-recession budget measures; the tasks they must perform; and, finally, some recommendations which would improve their ability to function, not only in helping a business turn-around but in promoting long-term growth of the economy.

Of course, the markets do not function in isolation but must be seen in the general economic setting. And we are all keenly aware of the unusual difficulties we face in trying to steer a proper economic course at this time. Probably never before was there so little maneuvering room between the twin shoals of recession and inflation, with the steep energy prices and uncertainties of future supplies compounding the problem.

Difficulties do not mean despair. We have tremendous strengths, in our physical wealth and in the stamina and resourcefulness of the American people. But we must be willing to face hard facts, even if that means deciding among some unpalatable choices.

In properly attempting now to combat recession and cushion unemployment, we must guard against rekindling virulent inflation. Pouring too much money into the economy could prove self-defeating if it leads to a still bigger inflationary rise during the next business expansion—and sows the seeds for a recession probably worse than this one.

Looking over the economic scene, we are already beginning to see some distinctly encouraging signs. The rate of inflation has slowed, and all indications are this trend will continue in the months ahead. The decline in money rates, which began last fall but stalled towards year's end, has resumed. And the consumer is apparently beginning to respond to price reductions on automobiles and in many retail stores. A similar reaction could come soon on the part of home buyers, as both the availability and the cost of money improve. Aiding this trend is the fact that home building costs have stabilized.

Meantime, our economists are trying to measure the impact of potential budget stimulants on the financial markets and their ability to handle resulting Treasury needs as well as those of local governments and private business. I am submitting a more detailed discussion of this subject, prepared by the economists at our subsidiaries, Lionel D. Edie & Company and Merrill Lynch Government Securities.

Let me just summarize some major points. While the official budget has not yet been submitted, our preliminary estimates, factoring in expenditures on the scale of the latest Administration proposals, project a deficit around \$32 billion in the current fiscal year and a \$45 billion deficit for fiscal 1976. Our Edie economists figure that such a federal deficit—about \$80 billion for the two years—can be handled without severe disruptions in the money and capital markets. Among their reasons are some recession-caused slack in private credit demand, especially during the earlier part of the period, probable inflow of OPEC money, and an expected policy of more aggressive ease by the Federal Reserve than it has demonstrated in the last two quarters.

However, if the federal deficit goes much higher—heading towards as much as \$60 billion for next year alone, atop the \$30-plus billion for the year ending this June—then private financing needs would likely suffer from the excess government competition. This dislocation would become especially evident in early calendar '76, because by then a business upswing should stimulate private demand while the deficit-generating federal programs would be in full stride. Such a development could bring either new sky-high inflation or strangle the young recovery, especially in housing.

Thus, regardless of worthwhile projects, it

would seem urgent to support the President's proposals for restrictions on expenditures and limits on the size of tax cuts—or else, to make equivalent adjustments elsewhere in the budget.

Our Merrill Lynch Investment Banking personnel also expects that, unless the deficit increases sharply over that based on the Administration proposals, they foresee no overall difficulty in meeting the capital raising needs of industry and local government.

But, and this is the disquieting aspect, that is the macro or over view. When they get down to the micro level, they conclude that, even with the two-year federal deficit kept to \$80 billion, many lower-quality borrowers will be hurt.

Industrial companies with a Moody's rating of "Baa" or medium grade will have difficulty attracting needed funds and, in the case of utilities, even somewhat higher-rated companies may find the going rough. If these companies can get money at all, it will be at substantially higher cost. And getting long-term money, which is what most of these companies really need for a balanced debt structure, will be most difficult and costliest of all. Incidentally, the same emphasis on quality, with increasing difficulties and costs for lower credit risks, will undoubtedly apply to municipal financing.

This would mean a sharp escalation of a trend already in evidence. As *Business Week* recently commented: "In a period when demand for credit is high, the market begins to discriminate . . . Investors are placing tremendous emphasis on the 'quality' of investments they make . . . (Also) the supply of capital that investors are willing to commit long-term has slowed."

All this can hardly be considered surprising. When an investor has a choice, naturally he prefers top-quality, and the uncertainties experienced by many companies and industries recently certainly fortify that preference. Similarly, the investor tends to place a premium on bonds maturing within, say, seven-to-ten-years than over the more distant future. He feels there is less opportunity for something to go wrong; also he has learned that, if inflation drives current interest rates up, the market value of outstanding long-term bonds goes to a much deeper discount than those with shorter maturities.

The preference for quality, of course, has always been there, but the increased emphasis on it is truly dramatic. For instance, in 1973 the average medium-grade Baa industrial bond yielded about three-quarters of a percentage point more than a highest-quality Aaa bond. By last year this spread had nearly doubled. Even more startling is the change in the utility sector, where the spread between high and medium grade more than tripled from 1973 to 1974—and what is more, the differential is now substantially wider among utilities than in the industrial group. Obviously, with utilities hit by huge cost increases and with slowed-down growth, relative quality has suddenly assumed momentous importance. Actually, the situation is such that no Baa utility has come to the long-term public market in the last six months.

Despite the difficulties in attracting investors faced by some companies and the high cost of borrowing faced by all, corporate bond offerings jumped to an alltime high of \$27 billion last year and are expected to run at around a solid \$23 billion or so in 1975. But that's simply a reflection of the tremendous needs for funds, a need which will continue throughout the foreseeable future.

A big reason is the need for capital expenditures. American business is conservatively expected to have to spend around \$2 trillion, plus inflation allowance, between now and 1985, to expand and modernize, to provide jobs for roughly 1.4 million new workers a year, to satisfy ecological and safety rules, and to make at least a stab at

easing our energy vulnerability. Other huge sums will be required for facilities by state and local governments and all types of public or quasi-public institutions.

The impact of the recession has sharply curtailed business expansion plans this year. With many cancellations, utilities will lag behind last year and other businesses may also fall to match the 1974 record in physical terms. But because of the steep rise in costs, total 1975 capital expenditures in dollars are still estimated a couple of percentage points above last year's \$112 billion.

So this still leaves a hefty demand for business spending at close to \$10 billion a month rate. Lower profits and cash flow may also boost the financing need. Add to this the widely recognized need to upgrade balance sheets and it's plain that there's a big call for action in corporate financing for this year as well as for many years ahead.

As we know, for some time corporations have been pushed into depending on an unusually large proportion of debt rather than new equity, and, what's worse, a disproportionate amount of the borrowing has been short-term.

One analyst has computed that 28% of the growth of manufacturing corporations between 1960 and 1972 was financed by "deterioration of the balance sheet", mostly through an increase in the debt-to-equity ratio plus some reduction in the working capital to sales ratio.

Another example of balance sheet deterioration: after increasing their relative equity position in the early Sixties, non-financial corporations endured a sharp reversal of this trend. Since 1966, their borrowings have been \$100 billion greater than the amount they were able to add to equity through new offerings plus retained earnings. Over half of this tilt toward debt came in the last two years. And compared with the early Sixties, when short and long-term borrowings were almost evenly balanced, short-term debt now has a 3-to-2 edge.

As for equities, new common stock offerings have disappeared almost completely in recent months except for some utilities that had to sell well below book value and offer highly attractive yields. For industrial common stocks, the total 1974 offerings came to less than three percent of the corresponding bond value.

While speculative and untried companies would no doubt have a difficult time in marketing new issues, the dearth—indeed complete drought—of common offerings is not caused by just a lack of potential buyers. As we found out with several utility offerings, there is a lot of demand for equities of better companies with good dividend payments at today's bargain prices. But there is a "seller's strike" by many companies. Not that you can blame the reluctant companies. The very price which makes the stock a bargain for eager would-be buyers tends to make it a "give-away" in the eyes of the company and its present stockholders. Often the corporation finds the return it could earn on the new money would be lower than what's earned on existing operations.

This is hardly a surprise. The average stock on the New York Stock Exchange lost 75% of its value between 1968 and 1974, which would seem enough to discount any number of recessions.

We may be beginning to see a new look, or rather a reappraisal, of basic values. There is a growing willingness to look at the total return concept—the sum of dividends plus long-term capital growth which can be expected from soundly based, well-managed companies.

Naturally, moves toward a sounder economy and a brighter outlook ahead should encourage the stock market, and strengthen the bond market as well, and thus facilitate the financing of all classes of business. That's another reason a balanced program to fight

recession without locking us into policies which promote long-term inflation should pay rich dividends in healthy growth for the nation.

But other important steps to promote raising the capital we so greatly need would consist of measures to directly encourage investors to put their money to work. Three helpful moves in that direction would be fairer capital gains treatment; encouragement of portfolio investments from abroad by eliminating the special withholding tax on foreigners; some steps toward deductibility of double-taxed dividends. I might add that another welcome improvement will be a more efficient marketplace; we have long believed in the advantages of a competitive market and we are glad to see that both houses of Congress will shortly consider legislation on making such a market more effective.

I am submitting separate memoranda outlining the desirability of relief in the capital gains and foreign withholding areas, so I will only summarize the highlights.

I feel capital gains improvement should be granted not only for the social benefits to be derived from extra investment flow, but also to give a fair shake to the investor. The capital gains tax system deters people from cashing in on their theoretical gains, thus preventing them from switching to what they might now consider a more desirable investment—and while they sit with their old investment, the Treasury doesn't get its revenues.

An important avenue for us to obtain additional capital without putting the money up ourselves is to tap some of the wealth being accumulated abroad. One way to attract such potential investors is to eliminate withholding taxes on interest and dividends paid to foreign portfolio investors.

Serious consideration should also be given to the suggestion recently made by Chairman Garrett of the Securities and Exchange Commission to permit corporations to deduct dividends from taxable income, just as they now deduct interest paid on bonds. Since one problem in corporate financial structures these days is the top-heavy debt, such a step would make it easier for a company to issue stock instead, and thus strengthen its financial position. By encouraging higher dividend payments, taxable to holders, the Treasury would likely recoup a sizable amount of revenues, in addition to the general economic benefits from stronger growth.

Another key area where positive action can promote greater overall strength is helping business generate fund internally. So companies can better expand their job-creating activities, it is important to increase the investment tax credit and to make it permanent. This should be particularly helpful to the hard-pressed utilities.

It is easy when deciding on priorities to look at benefits for the individual and to leave the corporation to fend for itself. But we also need a strong business organization to help provide the jobs which are the basic source of individual income. The huge boost in energy costs has cut sharply into the normal consumer expectations of a rising living standard, and the only way we can get these expectations back on the track is to boost our overall productivity. Part of this can be accomplished when individuals pitch in and determine to achieve more. But we know that the principal effort must be by business providing the tools for such greater achievement. It must be in position to do so, if we are to continue to realize a better life for all.

STATEMENT BY THOMAS J. GALLIGAN, JR., PRESIDENT, BOSTON EDISON CO., TO THE JOINT ECONOMIC COMMITTEE, JANUARY 28, 1975

Mr. Chairman: I am pleased to have the opportunity to speak to you today on subjects which affect everyone of us, young or old,

rich or poor, black or white—the critical condition of the United States economy and, in particular, the energy crisis which has contributed significantly to our economic woes.

I appreciate the fact that over the years this Committee has faced many serious problems in striving to develop constructive policies for the economy of this Nation but, in my opinion, we have never faced issues which are so complex and interrelated on an international basis and which have such severe implications not only for the present but for the long range well-being of this Nation. As complex as these issues may be, they demand immediate and comprehensive response. As I observe the high quality of the membership of this Committee, I am sure that it will lead the way for Congress to act constructively and promptly with equal misery for all.

President Ford has rendered a service by bringing the energy subject to the point where decisions must be made. We have already lost valuable time. It is our belief that a coordinated National energy policy now is absolutely essential if we are to become energy independent and remain economically sound.

It is because of this belief in the necessity for a sound National energy policy that as both a citizen and President of New England's largest single operating electric utility, Boston Edison Company, I must take issue strongly with President Ford's tariff and tax positions and protest most vigorously their adoption on the grounds that they are discriminatory in application and inflationary.

While my remarks refer to New England and to Boston Edison Company, it should be clearly understood that these problems affect most of the Atlantic seaboard, Florida, Southern California, and to a lesser extent, a number of other areas of the United States. It is not a provincial or regional problem but where it does exist it is critical.

#### EQUITABLE PRICES FOR OIL ESSENTIAL

You may recall that Boston Edison, in January 1974, assumed a leadership role in appealing to the Federal Energy Administration to provide some form of financial credits or some other method of easing the fuel burden for the people of New England. Very frankly, the FEA has failed in its responsibility as charged by Congress in its mandate of "equitable distribution of crude oil, residual oil, and refined petroleum products at equitable prices among all regions and areas of the United States."

After I testified at hearings in September, FEA's response to our plea was in the time-worn mold of "too little, too late." A credit of 60 to 80 cents per barrel was eventually adopted which would have amounted to a savings of about \$12 million for Edison customers starting this February—a disappointing and inadequate amount.

Now comes a proposal from the White House which by February 1 would eliminate that small savings just handed down and by April 1 would mean an additional cost of \$18 million in fuel prices to Boston Edison customers alone.

We seriously question the authority of the President to impose such a tariff and others are carrying this fight to the courts. The thrust of Boston Edison arguments under which we have been studying taking legal action is the incorrect administration of the "Emergency Petroleum Allocation Act of 1973" by the Federal Energy Administration. We still retain our option to take further legal action in this area.

That we must have a National energy policy is, as I said, essential to our progress as a Nation. But such a policy, instead of penalizing one region unfairly, must be dedicated to benefiting the whole Nation and all its people equitably.

#### NEW TARIFFS UNFAIR TO NEW ENGLAND

While the President's proposed tax relief program will fall equitably throughout the

Nation, surely his energy program will not. In response to past National policies, New England is more dependent per capita on oil products than the rest of the Nation.

A \$1.80 per barrel increase in oil prices for New England will cost the region \$800 million annually. This is the impact of losing 60 cents under the old oil entitlement program and two additional 60 cent per barrel increases planned in the import tariff in March and April.

This burden will fall heavy on those who rely on residual oil and home heating oil where conservation in New England is at a near maximum. We will pay the penalty even if we can't help the National objective of reduced oil imports.

I feel obligated to also comment on the proposal to decontrol the price of "old domestic oil." Not only will decontrol eliminate any possible economic relief to electric consumers in New England but its inflationary impact will be felt by all. I favor the imposition of a "windfall profit tax" on the oil companies but who is going to impose a "windfall profit tax" on the oil producing nations?

It is here where National policy must recognize the real villain in this drama—our National Government and its inability to deal effectively with OPEC.

In Boston, one can do little to provide consumers economic relief in the short term when we are paying over \$13 a barrel for residual oil and foreign governments are are pocketing \$9 and more of that cost. This Government has remained mute as it allows tens of millions of its citizens to suffer economic strangulation. We are faced with highway banditry of days gone by on an international scale.

The oil issue is such in New England that average fuel oil costs to Boston Edison rose from \$4.61 a barrel to \$12.91 a barrel in a little over 12 months. Fuel costs which amounted to approximately \$25 million in 1970 rose to \$164 million in 1974. At the same time, a consumer using 400 kilowatt hours of electricity a month pays \$22.10 for the same amount of electricity which cost him \$13.40 in 1970. And the increase was due almost totally to the rise in fuel prices. As a matter of interest, our prices today, including fuel, are at the same level they were in 1921.

Some of you at some time must have been confronted by irate consumers frustrated with their increasing electric bills. They cannot understand that the Government would do this to them and we bear the brunt of their wrath even though fuel costs are the cause.

#### ADVERSE ECONOMIC IMPACT

While some utilities in the Nation have been hit harder than Boston Edison in the economic crunch, the symptoms are similar. Inflation, reduced consumption, increased interest expense, regulatory lag and additional common stock outstanding, all attributed to a 9.7 percent decrease in earnings per share in 1974. Earnings per share in 1973 decreased 18.8 percent.

We have watched not only our earnings decline but the rating agencies lower our bond ratings from AA to A to BBB. We are faced with a capital program of \$760 million in the next five years, which has been reduced \$480 million to reflect conservation efforts by our customers. We are concerned with our ability to finance that construction at reasonable interest costs. The construction is essential to maintain reliable service for our customers in the years ahead. We believe the Congress should act promptly to insure that we can meet our service responsibility.

#### ENERGY CONSERVATION IMPACT

There has been a National need for Americans to respond to energy conservation during this period. We must continue to find ways to reduce our overall use of energy.

But energy conservation of itself is not a cure-all. In New England we have been leaders in conservation efforts which is reflected in the fact that energy sales at Boston Edison were down last year 6.3 percent from 1973 levels. The Congress in developing further conservation programs should recognize the leadership already shown by oil dependent regions of the Nation.

It is our firm belief that the need for electric energy will continue to grow. This means it is also essential that we have the Government regulatory machinery to permit that growth to take place in an orderly manner consistent with the objectives of "Project Independence."

Conservation of energy on Boston Edison's system has already caused a reduction in our capital spending program. As we have cut back our construction programs we have reduced our work force by over 600 people. Total announced industry cutbacks now amount to \$21 billion as energy conservation and the financial crisis create uncertainties. This does not include the tens of thousands of jobs that will not be required because of these cutbacks.

While continuing conservation efforts, we must also maintain the vitality of our building programs to meet the longer-term needs of our customers. The achievement of energy independence, with the restoration of economic stability in the capital marketplace for electric utilities is a major problem that faces the Congress today.

#### ENVIRONMENTAL PROTECTION—AT WHAT COST?

I would like to comment on another matter which is of particular importance to a capital-intensive industry such as ours, namely, the cost impact of environmental control regulations. Air and water pollution control equipment is costly to install, to maintain, and to operate. It is in my opinion highly unfortunate that the imposition of such costs is often not justified by the accrual of appropriately balancing benefits. Boston Edison is one of the leaders in the industry in responding to the need and desire for improvement of air and water quality. This is, therefore, and I want to emphasize, not an argument against necessary or reasonable environmental protection measures. It is rather a suggestion some of the measures imposed are unnecessary, cost ineffective or inefficient in benefit/cost terms. They also place a significant added burden on the need to raise capital by utilities.

Let us consider the matter of water quality, especially the regulations of the United States Environmental Protection Agency to control thermal discharges. The Environmental Protection Agency has taken the position that under its legislative mandate it cannot consider whether the installation of closed cycle cooling will have appropriate benefits, but they must impose stringent regulations within the limits of the practicality and availability of technology. This means, for instance, that unless a plant such as our Pilgrim Station Unit #2 can qualify for a strictly defined exemption, costs in excess of \$60 million for cooling towers may have to be undertaken even though the Atomic Energy Commission has concluded in its Environmental Impact Statement on this plant a favorable benefit cost analysis of the proposed cooling water discharge system. These costs, I must point out, do not reflect the costs of delay, added interest costs, reduced plant capacity and recent inflationary trends. One has only to multiply the capital impact of this one plant by the number of similar plants in the country to obtain a glimmer of the serious financial implications arising from such regulations.

The regulatory interpretation under the Clean Air Act is also having serious financial consequences which can be avoided. I have in mind primarily the position of the Environmental Protection Agency that constant emission control is to be preferred to other

measures such as intermittent or supplementary controls which meet air quality standards a far less costly way. The capital investment in scrubbers which may be necessary for constant emission control is substantial and ranges from \$46 million to \$80 million for power plants of 500 to 1,000 MW in size. The capital required for the alternate systems is relatively negligible since these systems depend on operational factors such as load reduction or fuel switching. The point I wish to emphasize is that these systems not only require less capital, but permit the use of other less costly fuels—both coal and oil—which cannot now be used. For example, fuel switching could save Boston Edison customers approximately \$40 million annually without violating primary air standards.

My recommendation, Mr. Chairman, is that the Congress reexamine environmental legislation to see to it that goals and objectives are not only still desirable in view of the Nation's economic condition but that they bring suitable benefits in view of the costs imposed. The Nation cannot afford inefficiency or unnecessary costs in this time of National crisis.

#### REDUCE REGULATORY LAG IN RATE PROCEEDINGS

There are two areas in electric rate setting where the Congress could be helpful. The Federal Power Commission is already working on one, the inclusion of construction work in progress in the rate base. This regulatory change would help to overcome regulatory lag by improving cash flow and would also improve the quality of Company earnings. We believe that the time has come when this principle should be adopted not only at the Federal level but, more importantly, by state regulatory agencies as well.

Many utilities in the Nation, including Boston Edison, would not be in the financial posture they find themselves today if state regulatory agencies had acted promptly on requests for rate relief. Our recent area of concern, the period of regulatory lag, which is ten months in Massachusetts, must be reduced and we urge the Congress' support to bring state regulation within a reasonable five-month guideline. Of course, it is essential that decisions be made within this time frame. We have one rate case that has been before the Federal Power Commission for almost five years.

#### INCREASE THE INVESTMENT TAX CREDIT AND PROVIDE IMMEDIATE REFUNDS

Recommendations to increase the investment tax credit for utilities will be helpful. Certainly the existing discriminatory nature of only permitting a 4 percent investment tax credit rate for utilities and a 7 percent for industry in general should be corrected. The overall rate should be increased to the President's recommended 12 percent for all industry. The limitations permitting the use of the investment tax credit of up to only 50 percent of the tax liability should also be permanently eliminated. The period of time that the investment tax credit can be carried forward or carried back for tax purposes should also be increased. Alternatively, to be helpful to all in stimulating investment with the related increase in jobs, a refund provision could be adopted which, in effect, would pay the investment tax credit immediately in cash to those companies who are not in a position to take advantage of the tax credit as they are in a net operating loss position.

#### INCREASE PERIOD OF OPERATING LOSS CARRY-BACKS AND CARRY-FORWARDS FOR INCOME TAX PURPOSES

Many utilities in the United States have been sustaining net operating losses for tax purposes for many years. Certainly, one way to improve their cash position is to extend the period of carry-backs to a minimum of eight years and to extend the period of carry-

forwards to a period of ten years. This is but another way tax legislation can be utilized to help hard-pressed utilities.

#### NUCLEAR POWER FOR NEW ENGLAND

The success of a sound National Energy Policy with "Project Independence" as the ultimate goal dictates the expansion of nuclear and coal as the primary energy sources for the generation of electricity. In 1974, nuclear energy accounted for 22.8 percent of the total electric energy supply in New England. As the mid-east threat and foreign oil prices stand as twin harbingers of gloom, nuclear energy stands out for this Nation as a citadel of hope.

The nuclear record in New England during 1974 gives credence to our conviction that clean safe nuclear power is the most practical source of energy for the consumers of New England. With natural gas supplies limited, hydroelectric sources utilized wherever practicable, coal burning limited by air pollution control regulations and imported oil prices continuing to skyrocket unbridled, nuclear power provides the least costly, most reliable source of power generation. With six operating nuclear power plants in New England and ten more planned, we are trying to move for fuel interdependence. When compared to current oil prices, it is anticipated that nuclear power could save for New England's base load consumers approximately \$1 billion a year on their electric bills in the mid 1980's. But the attainment of these savings depends on our ability to finance and construct the necessary nuclear plants and we just cannot move ahead confidently in this direction if the lead time to license and construct the units remains at the present 10-year level.

In May of 1974, we testified before the Joint Committee on Atomic Energy concerning licensing difficulties we were experiencing at our Pilgrim Station in Plymouth, Massachusetts. I am sorry to report that although the Atomic Energy Commission (now the Nuclear Regulatory Commission) has made efforts to speed up the licensing process, no action has been taken on our recommendations. In fact, the situation has deteriorated markedly. If we are serious in our desire to achieve our energy goals, we must take positive action in the nuclear licensing area as well as provide an economic climate that will encourage the construction of nuclear plants. In their deliberations it is imperative that Congress fully understands the importance of nuclear power to our energy survival.

#### MORE RAPID DEVELOPMENT OF DOMESTIC NATURAL RESOURCES

I am sure we all agree that the ultimate attainment of fuel interdependence requires immediate and concerted attack on many fronts. To be sure, nuclear power plant expansion is a major step in that direction. But, by definition, energy interdependence dictates a more rapid development of our own natural resources. We should already be well on our way to developing these resources under National guidance. Offshore drilling must be explored, encouraged and brought to national reality; exploration and production of shale oil must be enhanced to bring domestic sources of petroleum to such a level as to neutralize reliance on imported oil. We have coal to be mined and new coal fields to be explored. But long-term contracts for coal as a product are required to fully realize the potential of this natural resource. The Clean Air Act may have to be amended so that those facilities able to burn coal may find it available and thus be encouraged to make use of it. We have not realized the potential of our own resources and now find ourselves dependent on others who technologically lag far behind this nation. Time has been lost already—we must not lose anymore.

#### CLOSE

Mr. Chairman, as Congress reconvenes, it finds the most capital-intensive industry in the

Nation—the electric utilities—hard hit by inflation, conservation, stampeding environmental costs, deep recession and international brinkmanship.

We need and will support a National energy policy which has as its basic premise economic equity for all citizens—a sharing of the National burden among all regions of the Nation. . . .

We need to accelerate the development of our domestic energy resources such as coal and off-shore oil. . . .

We need help in speeding up the regulatory process in licensing nuclear power plants and in rate proceedings before regulatory commissions. . . .

We need tax relief that can be utilized in order to raise lower-cost capital and also relieve the pressure of increasing electric rates on consumers.

. . . And to be effective we need these actions now.

I promise you the support of Boston Edison in achieving these objectives.

STATEMENT OF DONALD CRAWFORD, PRESIDENT, EDISON ELECTRIC INSTITUTE; ACCOMPANIED BY STANLEY RAGONE, SR., VICE PRESIDENT, VIRGINIA ELECTRIC AND POWER COMPANY

The electric utility business was formerly thought to be a rather prosaic affair. Some of us in it would not agree with that assessment. But certainly today it is a far different business than it used to be. Today we face broad array of serious, complex and interrelated problems that challenge our very ability to meet the nations needs for electricity.

In our country there has been a long term trend toward the greater use of electricity. In 1930, 10 percent of all the energy used in the country was used to generate electricity. At the present time 25 percent of all the energy goes into electricity; our studies indicate that by the end of the century 50 percent of all the energy produced will be toward electric.

There is very little question but that the nation is going to require additional amounts of energy, and increasingly it will be electric energy. We believe that the rate of increase of total energy use should and probably will abate. But this is not true in our view about the increased use of electric energy.

The question is, how can electric utilities best provide the requirements that the nation puts upon them.

I believe that there are four basic points to bear in mind: 1, electric utilities must be financially strong to attract the investment funds needed to build the needed facilities.

2. We must be able to build the facilities that are needed. We must receive approvals for building utility facilities expeditiously.

Third, we must have adequate supplies of fuel that we are permitted to turn.

And fourth, we must function with environmental regulations that also recognize the nation's needs for electric energy.

Let me amplify each of those four points briefly. As far as the financial viability of the electric utility industry is concerned, there are two basic ways to approach this, and both of them are quite essential. The first, and indispensable way to resolve this problem is that we must streamline and improve our tight regulatory procedures. And the President in his message included a number of points along this line which would be very helpful.

The second basic way to help restore the industry financial viability is through a number of tax related pressures. The one that your industry feels would be the most effective would be to make dividends on common and preferred stock of utility companies tax exempt to the recipients. The President, as you know, has proposed that the preferred stock dividends paid by utilities and others would be tax deductible to the payor, not to the payee. And that would be a useful provision to have. But we feel that even more

useful would be a tax exemption to the recipient of these dividends.

We also favor strongly the increased investment tax credit. Utilities in the past have been discriminated against here. We have had 3 percent and then 4 percent while the rest of industry has had 7 percent. We would favor going to either the 10 percent or the 12 percent, but with some changes than those that have been previously discussed. It seems to us that it would be more useful to have a longer period than that outlined in the President's message for one year for every one, and then another two years for utilities under certain conditions. It would be much better if it were a more permanent provision.

Secondly, it would be helpful if the investment credit applied not to the plants put into operation in a particular year, but rather the construction expenditures during these years.

And thirdly, the idea that was previously enunciated by the administration, of after three years having tertiary payments back to individual companies if they had not been able to take advantage of the investment credit, seemed to us to have a considerable merit. And there are a number of utility companies that do not pay taxes because their incomes are inadequate in the light of their other requirements, so they would have no way to take advantage of investment credit. And the proposal that was made some months ago was that in most cases after three years there would be a provision whereby those companies would benefit from the tax credit.

With respect to our ability to build utility facilities, we must find a way to more expeditiously hear and grant approvals to proposed utility facilities. Whether the answers are yes or no, we need to have a more expeditious way of arriving at a conclusion. And this is particularly true in the case of nuclear plants where despite good efforts, I think, by the Atomic Energy Commission, it still requires on the order of 10 years from the date of decision to the date of operation for a nuclear plant. In Japan and France and other countries it takes much less time than this.

With respect to fuel, we believe that the fuels to meet our electric power requirements in the years and the decades ahead must be based primarily on coal and on nuclear energy.

We believe that it makes good sense to try to conserve our oil and gas resources for other uses for which they are uniquely qualified. But we must bear in mind that it is going to take some time for the change to be effective. The companies in the South and Southwest parts of our country, for example, who, consistent with national policy, built their electric power systems on the basis of burning natural gas, require extended periods of time to be able to convert those facilities over to burning other fuels.

With respect to oil also, and the President's proposal for increasing the tariff for imported oil and imposing an excise tax on domestic oil, while we can understand that as a means of achieving energy independently, or moving in that direction, and providing incentives to go to other fuels, it does seem to us that in the case of oil and gas that is used for electric utility purposes, that there should be exemptions from those tariffs and taxes.

In the case of the companies that burn oil, they have very little ability to alter their furnaces to burn other fuels. In the case of companies in the Northeast, for example, if they were to burn coal, if they could get it, they would not be able to comply with the air quality regulations. They only recently converted some of these plants from coal to oil. And they have a physical

inability now to go back to coal in any short periods of time. And therefore they have no choice but simply to continue to burn the oil and to pay whatever tax is imposed upon it. And we think that would further exacerbate the financial problem of some of the utilities that rely heavily on oil.

Finally, with respect to environmental requirements, we feel that they must recognize that there is another side of this coin, and that is the nation's need for electric energy. One primary point here is the Clean Air Act. And we believe that it must be amended to allow greater reliance on the nation's coal resources. And we believe the way to do that is to permit industry, including utilities, to meet the so-called ambient or health standards in alternate ways and not to require the scrubbers to be installed, and not to require emission standards, but to concentrate instead on the ambient and health related standards.

One final point that is that Act should be amended to clarify the meaning of significant deterioration.

Mr. Chairman, that is a very brief summary of some of the principle points that I wanted to cover.

EXCERPTS FROM THE TESTIMONY OF MILTON D. STEWART, ON BEHALF OF NATIONAL SMALL BUSINESS ASSOCIATION, BEFORE THE JOINT ECONOMIC COMMITTEE, HOLDING HEARINGS ON THE ADMINISTRATION'S ECONOMIC PROPOSALS, JANUARY 28, 1975

To many small businessmen the present worsening and unprecedented stagflation looks more serious than any of the other post-World War II recessions. The structure of our economy seems to have changed as has its ability to recover quickly in cases of economic downturn. In terms of origin, this may turn out to be the first of the "Dinosaur Economy Capers"—the joint product of the ineptitude of bigness in business and in Government. The two precipitating shortages—capital and energy—are centered in industries which are supposed to be regulated in the public interest. Both are tied to foreign policy and world trade, the special preserve of the Federal Government and the playground of the multinationals. Both are managed by a combination of corporate managers and public officials who presumably know one another very well and talk frequently.

There is no time for it right now but at some point it would be instructive to see a coherent review of exactly how big Government and big business managed to blunder in their inability to anticipate the impact of both the energy and capital problems. Perhaps we need a major study by this Joint Economic Committee on the "Risks and Costs of Bigness in Business and Government." We need to really understand who did, or did not do, what to whom, when and how, to bring about the present situation. We need to really understand the significance of the spotty impact of this recession—the devastating situation in communities where a few big companies dominate the economy; the milder impact reported recently in the press from places like Richmond, Virginia, and Cedar Rapids and Muscatine, Iowa, where there is no excessive reliance on the "big business in town."

We need to see through and understand the meanings of a shutdown of a major national retailer of 125 stores after it lost \$175 million in a single year. Would 125 single entrepreneurs, owning and managing those stores as separate businesses, all have gone broke at once? What is most distressing is the prospect that the relative shrinkage of the competitive section of the economy may be losing us the resilience and swift "recovery ability" that a diverse economy permits.

All of us are going to pay for those failures for a long, long time. Small business

has been paying for them already—for the past 18 to 24 months.

It is clear that the machinery for managing the Federal side of the economy is not yet adequate to its mission. It is also clear that big business cannot make up for Federal management deficiencies and that its overseas financial and resource programs and activities are out of public policy control.

My reason for using the term "Dinosaur Economy Capers" is to emphasize three points about this downturn. First, our Government and big business seem not to have been able to forecast, plan for, adjust to, or manage change. Neither the capital crunch nor the energy crisis happened without warning. Although huge, dinosaurs were not very good at either contingency planning or anticipating crises.

Second, the "dinosaur" size of more and more units in our economy has introduced some new elements or made old ones more important, and we have not yet adjusted to the changes. "Structural inflation" is the other side of increasingly imperfect competition, market domination, conglomeration and size. There is no doubt about the ability of the Federal Reserve to choke credit and capital to small business very quickly and effectively. But it takes longer for results to show with multinational banks and multinational companies. But after a while the Fed's efforts directed at "dinosaurs" squeeze everybody else in the economic forest past the point of toleration.

And third, with corporate "dinosaurs" as in all of life—the bigger they are, the harder they fall. The collapse of a Lockheed or Penn Central or the next King Kong Konglomerate to go, brings down thousands of jobs, thousands of stockholders and many millions in asset value. At least when we fall in small business, and we fall plenty, the carnage of each failure is not so great.

The basic purpose of all of our recommendations is to help small business acquire the ability to survive two bad years in a row. It is that ability, rooted in greater stability of capital access and in tax policies that favor it unduly that give big business most of its real edge, as against its well-publicized self-glamorized edges. We want for small business those things that will help, not just small business owners and managers but their employees and the economy as a whole. In our judgment that takes a four-point immediate and permanent tax relief and stimulation package. We agree that prompt tax relief is needed; but to equitable and effective that relief must be related to the size of the business affected. We have learned in the hardest possible way that "flat-headed" tax policies—whose benefits or burdens are applied "flatly" with the same percentage to all business regardless of size—discriminate against small business. We urge the Congress to shape a recovery program which will make this the first recession which did not leave small business still further behind the growth of Government and big business as a result of inadequate Federal policies.

There are two reasons for relating size to recovery support. First, the same logic and commonsense applies to the taxation of business which led us to progressive income tax on individuals. Simple equity demands that the broadest taxpayer carries the biggest burden, and the smallest gets the most relief when it is needed. Second, the same percentage of income taxed from a large and small company leaves the small company with far less ability to use its remaining income for its other needs. It has been demonstrated again and again that the effective tax rate on big companies is far less than that on small companies (see the recent data released by Congressman Vanik of Ohio). "Flat-headed" tax policies simply pyramid the pro-bigness bias already in the tax laws.

Our four-part small business tax package is designed to provide help to every single small company in the country regardless of its industry, regardless of its current profitability, and regardless of its size within the small business community. We need the fairest, widest-ranging direct stimulus throughout the small business sector and no one tax measure will give it to us.

First, the corporate surtax exemption should be increased from \$25,000 to \$100,000 (this is long overdue because of inflation anyway, \$100,000 is little more in adjusted dollars than the \$25,000 established in 1938). At our request and that of other small business groups, SBA has furnished us with data showing the economic impact of such a reduction. Based on 1970 tax data this change would leave about \$1.5 billion to stimulate the small business sector. It would help about 150,000 corporations which pay normal tax and surtax and have incomes of more than \$25,000. More than 90% of the relief would go to companies with less than \$1 million in pre-tax income. No company would receive more than \$20,000 in relief. This part of the package would give most help to the growing small business which is still able to show a reasonable net income.

Second, to help the smallest taxing businesses, we would modify sharply and progressively the President's corporate tax rate adjustment. His proposal in the traditional "flatheaded" manner makes no size distinctions. It would keep the tax on the first \$25,000 at 22% and reduce the rate above \$25,000 from the present 26% to 20%. That would make the total burden for both small and big companies 42% as against the present 48%. As to the companies with income under \$25,000 (generally the smallest ones), this appears to be a step backwards. They get no relief. Since there is no limit on the amount of relief given, the bulk of this reduction's benefit, estimated by Secretary of Treasury Simon to be \$6 billion, would go to larger companies. We leave to Congress the question of what reduction, if any, should be made in corporate surtax rates above \$25,000. As to most larger and professional small businesses, our first proposal may be adequate. Our greatest concern in the second proposal is to provide a reduction in the initial 22% rate on the first \$25,000. A reduction here to 10% would truly relieve the smallest profit-making, tax-paying businesses the most. If it is administratively feasible we would be content to see the reduction limited to companies which meet the SBA size definition of small businesses.

Third, we would provide some direct help to those small companies which show losses as a result of this recession or when their earnings are fluctuating wildly. We recommend that small business—defined by SBA standards or in any reasonable way satisfactory to IRS—be given a 10-year loss carry-forward and carryback. To keep from encouraging impractical big business mergers and acquisitions for tax avoidance purposes, we would limit transferability of this special tax relief to one subsequent merger or acquisition and only with or by another company which also meets the small business definition.

Fourth, we would improve the investment credit proposal in two ways, one of which is easy and one more difficult. First, small companies defined by present SBA regulations should get a 20% credit, larger companies should be held to 10%. This compares with the President's "flatheaded" 12% for all companies. Second, small companies should be given the alternative of using part or all of the credit for buying "people power" as well as machinery. The credit should be useable for the one-time creation during the next taxable year of up to two new jobs by any one business. We know this is difficult of administration but it is important

enough to try to learn how to make it work. Otherwise, the vast majority of businesses will not be able to use the tax credit at all in a meaningful way. In one recent year, slightly more than half the benefits went to a grand total of some 350 companies! The benefit of this credit, if it is to help the economy as a whole, must be more broadly and fairly available.

On the energy crisis we are really not ready with specific recommendations. A spot-check of a dozen small business leaders and operating managers in 12 States persuades me that while they are somewhat concerned about the economic impact of the energy crisis, they are far more worried about their Government's ability to understand and deal with it quickly, effectively, and fairly. Several expressed surprise that "it has taken them so long in Washington", others fear that "we may be in for some bloody Watergate battle between the President and Congress, this time about energy". They are less concerned about the precise steps to be taken than that their national leaders do not upset the country or take too long in agreeing on action. They know Democrats and Republicans will not agree about some measures. They know the President and Congress will not always see things the same way. But their strongest view may be summarized as a hope that there will be an early moratorium on elbowing for political advantage on energy.

"Wait till next year as they used to say in Brooklyn" as one small manager put it "there will be plenty of time to begin politicking then. We cannot afford a nasty and divisive rhubarb about energy between regions, we cannot have an ugly squabble about whose scheme for equality of inconvenience is better. Those people on the unemployment lines are out of patience and so are we. The President and Congress will get together; they might as well do it quickly."

We believe strongly that the Congress must be an equal partner with the President in making those choices. Perhaps one reason we believe that as strongly as we do is that under seven Presidents now, four of one party and three of the other, we have seen the Congress take the lead again and again on small business issues. Without exception every small business policy advance has originated in the Congress. We hope more will come soon. We have emphasized here our immediate need for tax changes as part of the recovery program. We will be making other recommendations on energy and other economic policy in the near future.

#### NOT A DIRTY WORD— PRODUCTIVITY

Mr. PROXMIRE. Mr. President, with the President's fiscal year 1976 record-setting budget before us and employment exceeding 8 percent, it is time for every Member of Congress to redouble his efforts to push our Federal agencies to accelerate their efforts to increase productivity.

In September of 1970, I initiated a joint Federal study, conducted by the General Accounting Office, Office of Management and Budget, and the Civil Service Commission, on "measuring and enhancing productivity in the Federal Government." In June of 1973, the joint task force produced a final report covering 45 agencies, some 187 organizational elements in those agencies, and involved 60 percent of the manpower in the Government for the period fiscal year 1967-72. The results were encouraging and, perhaps for the first time, it became evi-

dent that the Federal sector could and should measure productivity.

As chairman of the Senate Appropriations Subcommittee on HUD-Independent agencies, I have asked the agencies under my subcommittee jurisdiction to report what proportion of their activities are covered in their productivity data, what type of index they have developed for measuring productivity, and what steps they have taken to increase productivity through consideration of first, capital investment; second, reorganization of functions within the agency; and third, workload evaluation. Increased taxpayer demands for services makes it mandatory that the Congress take the initiative to secure this kind of information agency-wide, on a regular basis.

Mr. Ted Hutton, labor relations supervisor of the Allen-Bradley Co. in Milwaukee, Wis., was kind enough to send me a copy of an article he wrote on productivity entitled "Not a Dirty Word." Although much of what Mr. Hutton says pertains to the private sector, I feel that the article is timely and is easily applicable to Government as well.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### NOT A DIRTY WORD

Economists, union leaders, businessmen and government leaders all talk about productivity. A few people may consider it a "dirty word," but nearly everyone agrees on the need to continually improve our national productivity. They may not always agree on how to accomplish this, but they do understand that our economic well being is heavily dependent on it.

Today our nation faces serious economic problems, including inflation and foreign competition. Each of us has a part to play in finding solutions to these problems—our jobs depend on it. Each of us also wants higher wages, better working conditions and more leisure time for ourselves and our families. In order to achieve our common objectives, we must improve our ability to produce products and services more competitively.

Productivity is not a dirty word—it's a very important part of our daily lives. The National Commission on Productivity has a slogan which says "America. It only works as well as we do." What we want to understand is: How does improved productivity benefit everyone—the customer, the employee, the company and the nation?

To understand productivity we have to answer four questions:

1. What is productivity?
2. Why is productivity important?
3. How do we improve productivity?
4. Who is involved in productivity?

First, "What is productivity?"

It's not easy to define, but the heart of the matter involves the amount of goods and services that we produce in a given period of time. Productivity is a measure of efficiency: we divide the total output of our goods and services by the number of hours we took to produce it.

Probably the best way to understand the definition is to see how it works in actual practice. The accompanying example (see figure 1) applies to all types of jobs, not only those in the factory. And it's basic to the understanding of our economic system.

Why is productivity important?

The answer is clear—if our productivity

increases at the same rate as our wages, we can avoid rising prices. If wages increase faster than productivity, then the cost per product rises and prices must be increased. The result is inflation, which hurts all of us.

As this example shows, if we do not offset our increased costs, prices have to rise. And when prices rise, consumers almost always suffer. The real objective is to increase productivity to justify higher wages and salaries without causing higher prices for the products to buy. Inflation must be controlled if we are to continue to compete in the world market and continue to have a high standard of living. Better working conditions and more leisure time are dependent upon our ability to produce more. And our company's ability to pay competitive wages and salaries is tied in directly to our level of productivity.

To be a successful business we must compete effectively with other U.S. companies. We are able to sell our products if our quality is acceptable, our customer service is dependable—and the price is right. Our jobs are protected if we can continue to sell our products instead of losing our customers to a competitor because his prices are lower. That loss could result if the companies we compete against increase their productivity more than we do.

Another area that concerns most companies is foreign competition. More and more we realize that we live in a world that is interdependent. We not only compete with foreign companies here in the United States, but we are also attempting to sell our products in other countries. It is a well-known fact that many foreign countries have lower labor costs than we do in the United States. The only thing that has enabled us to compete in the past has been our high level of productivity, which made it possible for us to produce more products at a lower cost. If we are to continue to compete successfully in the world marketplace, we must continue to depend upon a rising level of productivity.

The third question we must discuss is "How can we improve productivity?"

One way is through better management techniques. This means improving training, planning, scheduling, organization, plant layout and other programs tied to productivity. Management must be prepared to make better decisions on the use of our resources. This includes all areas of the company such as manufacturing, research, sales and administration. Each manager must do a better job in directing the people who work for him to get the work done in the most efficient and effective way possible.

The second way to improve productivity is through investment in machinery, tools and equipment. The United States has long been a leader in developing better ways to produce products and services. The past years have proven to us that, as a nation, our investment in machines has not resulted in fewer jobs for the American people, but in more jobs. Other countries are learning this lesson. They have invested heavily in new plants, machines and equipment, and they are becoming more productive.

The third way to improve productivity is through better individual and group effort. Each of us, regardless of the job we hold, can find better and more efficient methods to do that job. We must also find ways to be more effective as a team because by working together we can all be more productive. Each individual and each group of employees has ideas that would help increase our output. Every company, in order to compete, needs these ideas. Each manager should encourage his employees to develop their ideas for improved productivity.

The fourth question is "Who is involved in productivity?"

The first answer to this question is "You." Each person has a part to play because he or

she has a job to do. If that job is performed better, our productivity as a company will increase.

The second answer to this question is "Everyone." Assemblers and machine operators who are responsible for putting our products together must find ways to work more efficiently. The employees who maintain our plant and equipment—people such as electricians, machine repairmen and tool and die makers—must find ways to keep the machinery operating at peak levels and avoid the downtime which lowers our company's productivity. Engineers and technicians are involved in the design and development of our products, and they have to be concerned about productivity, too. We must design our products not only to meet the needs of the customer, but also so that they can be manufactured as efficiently as possible. Secretaries and clerical employees are involved in finding better ways to handle the mass of paper work associated with our business. Managers are involved because they are responsible for directing the work of others and making decisions on work assignments, products and the use of machinery and facilities.

What does all of this mean? It means that every one of us is involved in the effort to improve productivity. We have to recognize the need for improved productivity and then, through teamwork and cooperation, work together to make it a reality. We have all seen examples of how good teamwork and cooperation have brought success to an organization. This is true of our nation, and it is true of our company.

Two questions remain for us as individuals to answer. They are "What can I do?" and "What will I do?" to contribute to improved productivity.

#### FIGURE 1

If you worked 2,000 hours last year at \$3.50 an hour and produced 10,000 "widgets," your output per hour was five widgets—total output divided by total hours worked. The labor cost per widget would be 70¢.

Let's assume that wages are increased by 3% so that your wage rate per hour is now \$3.61. If there were no increase in your productivity, the cost per widget would be 72¢.

But, if your productivity also increased by 3%, you will be able to produce 5.2 widgets per hour, instead of 5 widgets. With the increase in productivity, the labor cost per widget will still be 70¢.

#### CBS MORNING NEWS INTERVIEW

Mr. ROBERT C. BYRD. Mr. President, on Tuesday, February 11, I was interviewed on CBS' Morning News by correspondent Bruce Morton.

I ask unanimous consent that the transcript of the interview be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

#### TRANSCRIPT

BRUCE MORTON. Senator, the President has been stumping the country this past week or two, saying that he has a program and that Congress is a do-nothing bunch that is only interested in negative things, and in delaying his program. How about that?

Senator BYRD. I think it's a bit anomalous for a President who was not elected by the people, to go around the country criticising a Congress—which was elected by the people—for not being a rubber-stamp Congress. Congress has had the President's proposal less than a month. Congress has been in session now four weeks today. Congressional committees are actively considering the President's proposals—proposals which were delayed five months before reaching the Con-

gress—delayed by virtue of indecision, inaction, and, to some extent certainly, insensitivity to the severity of the problems. The President didn't admit that there was a recession until mid-November.

MORTON. Is he just playing politics, then?

BYRD. Well, I would say he's scoring some propaganda points, but they're not really going to hold up, because Congress is working on his proposals. Where it can agree with him, it will support them; where it thinks there ought to be alternatives, it will come up with alternatives.

MORTON. Mr. Ford keeps saying he has a program, a thing that's whole, but, in Congress, somebody has an idea here, an amendment there, and snip it here and there. Can Congress get an organized act together?

BYRD. He does have a program, and we have to commend him for that. But it took him five months to send it to Congress. But he has at least presented a program and he has a right to defend it. But the Congress, which was elected by the people, not only has a right but also has a duty to examine that program, and where it can't agree with parts of it, come up with alternatives. And the Congress is coming up with alternatives. In the Senate, an ad hoc committee has been appointed to advance proposals dealing with the energy problem and with the recession, and it has been working with the staffs of the various legislative committees and it will be coming forth with proposals.

MORTON. That's this draft report that's in the Washington Post this morning—the gasoline tax proposal?

BYRD. Well, if we look at the President's proposal to slap an import tariff on oil imports—that is a sock-it-to-the-consumer approach, and it will amount to a hidden tax not only on gasoline, but also heating fuels; it will increase the price of coal; electricity; airline tickets; bus fares; freight rates; fertilizer. It will go across the board, and it will really mean a tax on everything that is based on petroleum—every product that is petroleum based—your synthetic textiles and petrochemical products. But the proposal that we're working on—and we haven't come to a final conclusion on it—would be focused on the recession, and would trigger a phased-in gasoline tax based on unemployment and a more productive economy.

MORTON. How would it be based on unemployment?

BYRD. As we advance more and more toward a full production, full employment economy, the gas tax would be phased in—starting with a penny—and as each penny on a gallon of gasoline means a billion dollars in revenue, these revenues would go into an energy trust fund that would be administered by an Energy Production Board. And the idea of the trust fund would be to fund those programs that are calculated to conserve energy and to develop new sources of energy.

MORTON. So it would go into things like developing shale oil technology, and things like that?

BYRD. That and synthetic oil, synthetic gas from coal. And it would also help to pay the tax incentives that are intended to lead the insulation for homes. It would pay for the development of a program that would lead eventually to a more fuel-efficient automobile.

MORTON. What are the real chances of the Democrats in the Senate being able to get together on some program like this. I remember Russell Long coming out of the caucus in the last Congress saying there are as many viewpoints in their as there are Senators.

BYRD. That's true. There are 535 members of Congress. But I think the members of Congress realize there is a necessity for our coming up with a program. Now, if we're not going to adopt the President's program, we have a responsibility to come up with

alternative proposals. And we will do that. We will support some of the President's proposals, for example, the investment tax credit—it may be modified a little bit. The tax cut—we may modify it somewhat. So we are going along with these proposals.

A mistake was made, I think, in the beginning, when the President didn't bring the Congress in on the take-off as well as on the landing. If he had brought the congressional leadership in before he presented this program—which was presented to the Congress in his State of the Union message, developed in secrecy, cloaked in mystery, and held as though it were highly classified material—if he had brought the congressional leadership in at the beginning, I think we would have raised objections to this oil import tariff, which is going to be highly inflationary and which is going to contribute to more unemployment, and perhaps we could have agreed on a program which we could all have supported together.

But instead of that, he presented the program right out of the blue, and now complains that the Congress—which has not yet had the program four weeks—has not already rubber-stamped it. I would say that, if the President would have called the leadership in at the beginning, we would have the kind of program we could work together on, there would be greater cooperation, and the American people would benefit thereby.

MORTON. Senator, thank you very much.

#### QUORUM CALL

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### THIRTY-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 11:49 a.m., recessed until 12:19 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

#### ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. RANDOLPH. Mr. President, is there a time limitation on statements?

The PRESIDING OFFICER. There is a 10-minute limitation on statements.

#### UNANIMOUS-CONSENT AGREEMENT—H.R. 2634 AND H.R. 1767

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I have cleared the following unanimous-consent request with the leadership on the other side of the aisle, and with Mr. JACKSON, Mr. KENNEDY, Mr. MCGOVERN, Mr. LONG, and Mr. RIBICOFF on this side of the aisle.

I ask unanimous consent that, beginning tomorrow at 12:30 p.m., the Senate proceed to debate the measure raising the debt limit ceiling; that there be a division of the time between Mr. LONG and Mr. CURTIS on that measure; that time on any amendment thereto be limited to 30 minutes, to be equally divided and controlled in accordance with the usual form; that no nongermane amendments be in order; that no rollcall votes occur prior to 4 p.m.; that if any votes are ordered on any amendment thereto, debatable motion or appeal, such rollcall votes occur prior to 4 p.m., and that at 4 p.m. the Senate proceed to vote on the measure itself if no votes on amendments have been ordered thereto, and, in the alternative, that if rollcalls are ordered on amendments thereto, such votes occur back to back, beginning at 4 p.m.

Mr. HOLLINGS. Mr. President, I would hope not to object, but the distinguished assistant majority leader spoke about nongermane amendments. I discussed the matter of the Federal employee cut amendment, which we would bring up at this particular time. I do not mind about time limitations, but many Senators who are interested in that matter would like a vote on it at this time.

Mr. LONG. Mr. President, I would hope that the Senator would make his request, in effect, with regard to both this bill and the bill involving the limitation of the President's power with regard to oil import fees, so that the two could be considered together, because I think that there are Senators who would be perfectly content to agree to this measure provided they would have an opportunity for amendment votes, also.

Mr. ROBERT C. BYRD. Yes. If the Senator from South Carolina would withhold his reservation, I would like to proceed to expand upon the unanimous-consent request.

I ask, further, that immediately upon the disposition of the measure in relation to the debt limit tomorrow, there be not to exceed 2 hours tomorrow, to be equally divided and controlled for the purpose of debate on the measure in relation to the oil tariff which has been imposed by the President on imports, the time to be divided between Mr. RIBICOFF and Mr. CURTIS; that on Wednesday, at 11 a.m., the Senate resume its consideration of that measure, with the time for debate thereon divided and controlled as stated heretofore; that there be a time limitation on any amendment to that measure of 2 hours, to be equally divided and controlled in accordance with the usual form; that no nongermane amendments thereto be in order; and that a final vote on the tariff measure occur at 5 p.m. on Wednesday, with the understanding that rollcall votes on amendments thereto could happen at any time during the day.

Mr. HOLLINGS. Mr. President, I would still have to object. That does not take care of the amendment we are talking about on the limitation of Federal employees. I was trying to listen closely to the distinguished acting majority leader as to a provision for that matter.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I add to my request that paragraph 3 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank all the Senators. I thank especially the Senator from South Carolina and the Senator from Florida (Mr. STONE).

The texts of the unanimous-consent agreements are as follows:

Ordered, That at 12:30 p.m., Tuesday, February 18, 1975, the Senate proceed to the consideration of H.R. 2634, the debt limit bill, and that debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That time for debate on the question of the final passage of the said bill shall be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. LONG) and the Senator from Nebraska (Mr. CURTIS), or their designees: Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

Ordered further, That no rollcall votes shall be in order on this bill until 4:00 p.m., February 18, 1975. At 4:00 p.m. the Senate shall proceed to vote on any rollcall votes that have been ordered, if ordered, and immediately thereafter shall proceed to vote on final passage of the bill.

Ordered, That immediately following the vote on the debt limit bill on Tuesday, February 18, 1975, the Senate shall proceed to the consideration of H.R. 1767, the oil tariff bill, with 2 hours on the bill to be equally divided and controlled by the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Nebraska (Mr. CURTIS) or their designees.

Ordered further, That on Wednesday, February 19, 1975 at the hour of 11:00 a.m., the Senate resume consideration of H.R. 1767, with debate on any amendment to be limited to 2 hours, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That time for debate on the question of the final passage of the said bill shall be equally divided and controlled, respectively, by the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Ne-

braska (Mr. CURTIS), or their designees: Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

Ordered further, That vote on final passage of this bill shall occur at 5:00 p.m., Wednesday, February 19, 1975.

#### QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR RECOGNITION OF SENATOR PERCY AND DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, Mr. PERCY be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business, not to extend beyond 12:30 p.m., with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### A LITTLE HELPFUL CRITICISM

Mr. MATHIAS. Mr. President, I think one of the more unhappy developments in the recent weeks has been the exchange of criticism—not helpful criticism; I think destructive criticism—between Capitol Hill and the White House. Each branch of the Federal Government seems to have decided that it wants to criticize the other. I think this is not helpful in a time in which consensus is so desperately needed and serious problems confront this Nation.

There is a role for each branch of Government to play, and each branch of Government should play that role. I think it contributes very little to the national debate for either of us to point the finger of blame and criticism at the other. Differences of opinion are natural. Differences of opinion, I think, should be encouraged. One of the purposes of debate, one of the purposes of legislative debate, is to exchange views and to have a thoughtful, rational discussion about varying ideas and then to decide which one of those ideas is the best. That is per-

fectly proper, and I am not criticizing that kind of debate; but I think it ill behooves either Members of Congress or the President or members of the President's Cabinet simply to point the finger at the other body and say, "They are doing wrong." I think that is a great mistake.

This morning, the Senate had the benefit of hearing the Senator from Utah read the Farewell Address of our first President. I wish to take the very few moments that will be required to repeat one paragraph of that address which, it seems to me, addresses itself specifically to the question of the relationships between the branches of the Federal Government. That paragraph appears on page 17 of the printed copy which each Member of the Senate has received today. It reads as follows:

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for through this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Mr. President, I think that is very pertinent, with the kind of dialog which has been taking place since this Congress began on the 14th of January. Each branch has been accusing the other of meddling in its affairs, when, in fact, I believe, an impartial observer would have to conclude that either branch may have made mistakes, but that both had a perfect right to exercise their constitutional powers in the manner in which they are set forth.

I hope that the reading of Washington's Farewell Address will be more than a patriotic formality; that people will remember that Washington was the President of the Constitutional Convention as well as the first President of this Republic; that when he spoke, he spoke from a personal knowledge of what the founders of the Republic intended, and that when he gives us his Farewell Address, he is giving us his ultimate advice on the conduct of the Government that he helped to construct. It is the greatest Government that has ever been constructed.

I believe we can take to heart the words of the craftsmen, the builders; and by taking them to heart we can perhaps

make that Government which they built work better in our time, as he hoped that we might.

#### CHANGES IN ANNOUNCED RECESS SCHEDULE

Mr. WILLIAM L. SCOTT. Mr. President, in line with what our distinguished colleague, the Senator from Maryland, has said about attempting to eliminate unnecessary frictions between our branches of Government, I would like to thank the majority whip for not considering major legislation during the past week, after we had believed that we were going to have a recess.

I realize that a merchant marine bill was considered and passed on a voice vote. I understand this is a measure that Congress had previously passed and which was vetoed by the President. The objectionable feature was eliminated, and it was repassed.

I would like to venture the hope—and I see the distinguished majority whip in the Chamber—that we would know well in advance should there be any change in the future program as outlined by the leadership, so that this minimum of inconvenience that we had would not occur again.

I believe we have a schedule for the Easter recess and the Memorial Day recess. I want to go ahead and make plans for these two occasions on what to do, whom to visit.

I am sure that every Member of the Senate wants to make plans. If the leadership is aware in advance of any change in the program as they have announced it to us, I would hope they would let us know as soon as possible so that we will not be locked in with respect to making plans for the wise use of our time when the Senate is not in session and, perhaps, will not be inconvenienced even to the minimum extent that we were last week.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Virginia makes a reasonable request. On behalf of the distinguished majority leader and myself, I assure him that we will do everything within our power, so far as we are concerned, to bring the matter of the subsequent recesses to the attention of our colleagues, so that if there is a change—and there very well could be in the Easter recess, for example—Senators would be notified as early in advance thereof as possible so that they can accommodate their schedules thereto.

Mr. WILLIAM L. SCOTT. Mr. President, I thank the distinguished Senator. I think the leadership has performed a valuable service to each Senator in attempting to outline for us the program for the entire year. I commend the leadership for this. But if there is a change, if they could give us as much notice as possible, I, for one, would greatly appreciate it.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, may I say for the record that when the joint leadership laid out the schedule of recesses last December, we, of course, were not aware of the fact that Secretary of the Treasury Simon would appear before Congress on the 23d of January and state that the debt ceil-

ing would be bumped at midnight tomorrow night, February 18. We were not aware of that. Nor were we aware at that time of the President's proposal with respect to the imposition of a tariff on oil imports. We did not foresee these things coming about.

In the wake of the introduction of these facts, which we could not foresee at the time of the December announcement, we felt that we ought to take this matter up before the Democratic policy committee. It was the unanimous view of that committee that the recess ought not to go forward.

The leadership in this instance, as in every instance, attempts to protect, as much as it can, all Senators by giving them adequate notice in advance of any rollcall votes which may occur. It was the intention of the joint leadership during last week that if a rollcall vote should develop on Tuesday, Senators would be given a 24-hour notice and there would be no rollcall votes on Tuesday; that any such rollcall votes, if ordered, would occur on Wednesday and Thursday.

I believe the Senate made progress by coming in last week. I do not believe that the agreements we have achieved here today, with respect to the time for a vote on the debt limit, and the time for the vote on the oil tariff, would have been achieved had we not been in session last week. By virtue of the Senate's being in session last week, committees were aided in their efforts to transact their business. While there was a little problem of getting a quorum on Tuesday, committees did get quorums on Wednesday. Even on Tuesday the Interior and Insular Affairs Committee met, the Armed Services Committee met, and the Foreign Relations Committee met.

As I say, on Wednesday, the Finance Committee had a quorum. The ad hoc committee on energy and the economy, of which I am a member and which is chaired by the distinguished senior Senator from Rhode Island (Mr. Pastore) met a number of times throughout last week. Progress was made which, perhaps, would not otherwise have been made had the Senate not been meeting.

I would say that had the Senate not been in session last week, we would not be in a position today to tell our colleagues that there will definitely be a vote on the debt limit bill tomorrow, and a vote at a time certain on the tariff bill on Wednesday.

In connection with both of these bills, the Senate had to await the action by the other body. The Constitution requires that tax revenue measures originate in the House of Representatives. A tax revenue measure does not have to raise revenue in order to qualify under the Constitution. Both of these measures are revenue measures and had to begin in the House of Representatives. The Senate could not initiate them. For that reason, the Senate had to await the pleasure of the other body. The other body acted expeditiously, in my judgment. But even in acting expeditiously, the other body was able only to act in a way that would allow these measures to be reported in the Senate on Thursday,

February 6, which was a week ago last Thursday. So the Senate only had Thursday and Friday of that week.

If we had been in recess, I think any objective observer could see where we would be today. The Senate did accomplish what it set out to do by coming in last week. It was available in the event that either or both of those measures had been reported and there had been no objection on either side to taking them up. The minority requested that they have until today to file a minority report on the tariff measure. They were certainly within their rights.

In all fairness to the Senate, it should be recognized that the leadership, while it did a painful thing, I believe came to the right conclusion. They were supported, as I say, by the policy committee on this side of the aisle, and the leadership on the other side of the aisle supported this viewpoint. I think we did the right thing.

There is no question that Senators are inconvenienced when so-called recesses are canceled. The leadership will, as we look to the days ahead, attempt to come to grips with these matters, and it will do so as early as possible, so that all Senators may be informed if there is a change in the recess schedule.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MORGAN). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DEATH OF REPRESENTATIVE JERRY L. PETTIS

Mr. CURTIS. Mr. President, it was very depressing to learn of the death of Representative PETTIS. He was a very outstanding individual, one who was rendering a unique service to the House of Representatives and to our entire Nation.

Not too many years ago Mr. PETTIS lived in Nebraska. He was an educator at Lincoln, Nebr., at Union College.

He made many friends there. He has been interested in that institution and other Nebraska institutions over the years.

His untimely death in an airplane accident late last week brought sorrow to many people in many States.

Representative PETTIS served on the Committee on Ways and Means of the House of Representatives. There he plied his usual scholarship. He was dedicated to a sound fiscal program. He was dedicated in his adherence to our private enterprise system, our constitutional government. In other words, in every cause that was really fundamental and genuine, one could find Representative PETTIS on the right side.

On behalf of his many Nebraskan friends, I wish to express our sorrow and our words of condolence to Mrs. Pettis and the other people whom he has left behind.

Mr. McCURE. Mr. President, I think it might be fitting to add one other dimension to the discussion of the character of Representative JERRY PETTIS.

JERRY PETTIS entered the House of Representatives after the election of 1966, in January of 1967, at the same time I did, and I served with him in the House of Representatives for 6 years.

My wife and I became very close personal friends of JERRY and his wife Shirley. JERRY PETTIS was one of those unique people of tremendous capacity, vitality, and ability. His legislative record has been a matter of public record, and the public has noted it, but I suspect that fewer people know the private side of JERRY PETTIS—JERRY PETTIS, the husband and the father, JERRY PETTIS, the man who was very, very much concerned about the plight of human beings in this country and their well-being. Not very many people were aware of JERRY PETTIS the professor. In addition to being an educator, he had a distinguished and outstanding career in the aviation world.

Perhaps there is an anomaly that after 35 years of distinguished service in flying in this country, he met his death in an airplane accident.

JERRY PETTIS was one of the finest, most Christian gentlemen that ever graced the Halls of the Congress of the United States.

His ability and his service will be gravely missed by the people of this country. There was great promise in his future service and contributions in legislation with the sensitivity that this fine man possessed.

I am sure that the sympathy of the entire Congress will be extended and is extended to Shirley and the children. We will all miss him.

#### RESOLUTION RELATIVE TO THE DEATH OF REPRESENTATIVE JERRY L. PETTIS, OF CALIFORNIA

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House.

The PRESIDING OFFICER. The clerk will read the message from the House.

The assistant legislative clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable Jerry L. Pettis, a Representative from the State of California.

*Resolved*, That a committee of 70 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect the House do now adjourn.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf of myself, Mr. CRANSTON, and Mr. TUNNEY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

S. RES. 81

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Honorable Jerry L. Pettis, late a Representative from the State of California.

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer to join the Committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved*, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

The PRESIDING OFFICER. The Senate will proceed to its immediate consideration.

The question is on agreeing to the resolution.

The resolution was agreed to.

The PRESIDING OFFICER. The Chair, pursuant to Senate Resolution 81,

appoints the Senators from California (Mr. CRANSTON and Mr. TUNNEY) to join the committee previously appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow at the hour of 12 noon.

After the two leaders or their designees have been recognized under the standing order, Mr. PERCY will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, not to extend beyond the hour of 12:30 p.m., with statements limited therein to 3 minutes each.

At the hour of 12:30 p.m., the Senate will proceed to debate H.R. 2634, the measure raising the debt limit ceiling. No rollcall votes will occur thereon, or in connection with amendments thereto, prior to the hour of 4 o'clock tomorrow.

At 4 p.m. tomorrow, the rollcall vote

on that measure, and on any amendments that may have been called up thereto and on which rollcall votes may have been ordered, will occur.

After the debt limit measure has been disposed of, the Senate will proceed to debate H.R. 1767, the oil tariff measure, and that debate will go over into Wednesday.

I would not anticipate any rollcall votes on the tariff measure tomorrow; however, I would not rule out any such votes.

### ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, in accordance with the previous order and in accordance with the provisions of Senate Resolution 81, I move now that the Senate, as a further mark of respect to the memory of the deceased JERRY L. PETTIS, a Representative from the State of California, stand adjourned until the hour of 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and at 1:45 p.m., the Senate adjourned until tomorrow, Tuesday, February 18, 1975, at 12 o'clock meridian.

## EXTENSIONS OF REMARKS

### FEA AND THE "PUBLIC"

#### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. OTTINGER. Mr. Speaker, an editorial in the Wednesday, February 5, 1975 edition of the Wall Street Journal points to the ultimate irony involved in establishing a Federal Energy Administration whose purpose is ostensibly to protect the American people but which all too often forgets its own mission.

The editorial points disparagingly to an FEA policy notice of November 26, 1974, issued in the San Francisco region. The notice instructs FEA inspectors to report the existence of any gasoline price wars between service stations in that region. It appears that FEA is intent on preventing any price competition which will drive down the price of gasoline to consumers. Such a notice smacks of total disregard and insensitivity for the already overburdened consumer who finds his gasoline bill mounting as the days pass.

But of even greater absurdity is the second half of the FEA notice. "Complaints from the public will be accepted by FEA", it reads. It is rather difficult to imagine any rash of consumers calling to complain about lower prices; thus, it must be that the "public" from which the FEA is seeking complaints consists of the oil companies the FEA is serving at the real public's expense.

I am inserting the Wall Street Journal editorial for the benefit of my colleagues and their constituents.

FEA NONSENSE

We have long wondered precisely how long it takes from establishment of a federal agency whose mission is to hold down prices

until it is actively engaged in trying to hold up prices. Empirical evidence now exists proving it takes exactly 10 months and 26 days.

On Feb. 1, 1974, the Federal Energy Administration was established. On Nov. 26, 1974, the following POLICY NOTICE was issued by William C. Arntz, FEA regional administrator in San Francisco:

"For several months, there has been an abundant supply of motor gasoline in most areas of Region IX, although some areas and sectors of the market continue to report shortages. There lately have been vague, unconfirmed reports that supply in some areas is so excessive as to precipitate gasoline price wars. . . . It is not the intention of FEA that larger allocations be used for engaging in gas wars. The regulations prohibit suppliers from increasing volumes to a station in order to support gas war activity."

There follows the official procedures for dealing with same:

"1A." All FEA employees are to report any "gas wars" they are aware of, giving names and addresses and "specific activity (such as gas war signs, low prices being charged, etc.)."

"1B." Complaints from the public will be accepted by FEA provided the details listed in 1A are given. Initial contact may be made by telephone to the local FEA office but should be followed up by a brief summary in writing.

To which we might add: Any citizen who complains of low gasoline prices to an FEA office, in telephone or in writing, and does not receive satisfaction, should send money order making up the difference to Energy Czar Frank Zarb, Washington, D.C.

### REPUBLIC OF LITHUANIA

#### HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. RICHMOND. Mr. Speaker, I would like to join my colleagues and extend my

congratulations to the Americans of Lithuanian origin who commemorate today the 57th anniversary of the establishment of the Republic of Lithuania.

Although today the Republic of Lithuania lies within the borders of the Soviet Union, the determined spirit of the Lithuanian people lives on with great fortitude.

The history of the Republic of Lithuania is one of tragedy and misfortune. Her people have had to undergo the severest of hardships yet their faith remains strong.

The people of the United States understand what it means to be free. Free of the many aspects of government intervention which have eroded so many countries of the world. Our very heritage is based on the principles that freedom comes before all else and that no people shall be dictated by the rules and regulations of another.

It is therefore particularly fitting that the people of the United States join together and congratulate Lithuanians who for so long have held this principle close to their hearts.

### THE ROLE OF THE SCIENCE AND TECHNOLOGY COMMITTEE

#### HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. FUQUA. Mr. Speaker, the Honorable OLIN E. TEAGUE, distinguished chairman of the Committee on Space Science and Applications, recently talked to the Chamber of Commerce of Mexico, Tex., discussing the role of the Committee on Science and Technology and the committee's commitment to meeting the Nation's

needs through research and development and the applications of technology. Because of the significance of his remarks, I am including this in the RECORD for the benefit of my colleagues and the general public:

**SCIENCE AND TECHNOLOGY COMMITTEE JURISDICTION—REMARKS BY CHAIRMAN TEAGUE**

On October 8, 1974, the House of Representatives took another in a series of major steps in improving how it does its business. By adopting a reorganization of committee jurisdictions and making procedure changes, the 94th Congress will be more responsive and responsible in dealing with important policy problems—such as energy and environment R&D, foreign trade and transportation. Among the procedure changes, the speaker was given broader powers to refer legislation to more than one committee to insure that action will be taken and oversight was strengthened.

Perhaps a brief word to explain "oversight": while we in the Congress sometimes overlook things, oversight really means "overseeing"—not overlooking.

But how did this reorganization affect the Committee on Science and Astronautics? It did three things.

First, it changed our name from science and astronautics to science and technology to reflect changed conditions.

Second, it gave us a much broader jurisdiction and responsibility.

And third, it led us to a new subcommittee structure which corresponds to the broader jurisdiction.

When the committee was established on July 21, 1958, it was named the Committee on Science and Astronautics—because its primary purpose was to oversee NASA and the non-military national space program. Other jurisdictions were:

(1) The National Bureau of Standards—including standardization of weights and measures and the metric system.

(2) The National Science Foundation, including science scholarships and scientific research and development.

The early concentration on space matters reflected a national decision to respond to the challenge of Sputnik. In later years there was a growing diversity as the committee began to work on broad national science policy, aviation R&D, and technology transfer.

Throughout all of its years, the committee spent much of its time on oversight—the intensive review of agencies under its legislative jurisdiction to determine how well they are doing their job and how they are spending the taxpayers' dollars. Members and staff have spent long periods on comprehensive investigations which involved hearings in Washington, field hearings at government research centers and contractor plants, weekend visits while congress was in session, and a lot of plain, hard work and study. I know—I have done it for years. But this is how you get to know how well a program really is working, how effective management is, how the dollars are being spent. You know better how to evaluate budgets and recommend or direct corrective action.

As I mentioned earlier, one of the major provisions of the October reorganization is aimed at improving all congressional oversight. Legislation, once passed is, all too often, never reviewed.

A house oversight agenda coupled with more emphasis on oversight by each committee can result in a more effective Congress. Congress should do more than pass laws and approve budgets: it should see how those laws are carried out and what is done with the money it approves in the budgets.

In past years, we must have been going in the right direction and doing most things the right way. The committee on science and astronautics—re-designated the com-

mittee on science and technology—has been given broad new jurisdictions. These include all non-nuclear energy R&D, environmental R&D, weather R&D, and aviation R&D, and special oversight of all nonmilitary federal research and development.

The reorganization passed by the House consolidates jurisdiction over all energy R&D, except nuclear, in the committee on science and technology. This includes legislative jurisdiction over the recently created energy research and development administration (ERDA)—jurisdiction which will be shared with the Joint Committee on Atomic Energy with regard to nuclear energy R&D. The Federal non-nuclear energy research and development act, also just signed into law, requires annual authorization of the non-nuclear ERDA budget. This authorization responsibility will fall to our two subcommittees dealing with energy. One of these subcommittees will have the responsibility for fossil fuel R&D; the second will deal with the other energy technologies, and exercise the special oversight responsibilities the committee has over nuclear energy.

This action in taking the present energy R&D jurisdiction of five standing committees of the House and putting it all together in the committee on science and technology is, I believe, one of the more important results of the House reorganization effort. It will permit our committee to deal with the entire spectrum of energy R&D, except for the one area of nuclear technology. This means that we can put together comprehensive national programs for energy research, development, and demonstration that will evenhandedly approach the many technical options which we have today. We can help assure that this country will not only consider development of alternative sources of energy, but also plan on how those sources will be integrated into the economy as a whole; how they will be transported to the point of use; and how they will affect the quality of the environment.

The Energy Research and Development Administration—ERDA—is a new agency. It will need much help and support from those of us in the Congress as new programs are formulated and implemented. I think this committee has a unique advantage in dealing with such a new agency's growing pains, since we went through the same experience when NASA was formed. Similar experience has been acquired with changes in the National Science Foundation over the years—and with the establishment of the Office of Technology assessment within the Congress. We shall be in a good position to offer the legislative guidance and assistance to ERDA that can help make that agency one of the most important in the Federal establishment.

The Environmental Protection Agency is relatively new and has an expanding R&D program. A recent Senate Public Works Committee report strongly criticized the EPA's R&D efforts and its organization. A high priority of our new Subcommittee on Environmental R&D will be to use the results of the Senate report as a basis for the kind of intensive, searching oversight reviews we have been conducting with NASA and the National Science Foundation for 15 years.

Another important feature of the Environmental R&D jurisdiction is that various other agencies—besides the EPA—have components of their R&D program which can be considered as environment related. Indeed, one of our problems, as I see it, is to determine what constitutes our National Environmental R&D effort, what objectives are being pursued, and how these objectives relate to those in other areas such as energy, natural resources, transportation, water systems, waste disposal systems, urban and rural planning, health care, food, materials, and housing. These subjects call for a broad scope of activity for our committee beyond a mere examination of EPA's budget—and it

is in this direction that we will be moving rapidly.

We have decided that the weather R&D jurisdiction should be under the same subcommittee that handles environmental R&D. During the debate on the House reorganization, it was established that our committee and the Merchant Marine and Fisheries Committee will share legislative and oversight responsibility for the Commerce Department's National Oceanic and Atmospheric Administration which performs both atmospheric and oceanic research.

This cooperative congressional approach to NOAA reflects a basic fact: For the past several decades the oceanic and atmospheric sciences have become increasingly integrated. Expanding the integration of space science, atmospheric science, and oceanic science is necessary for us to understand better what are apparently some very complex relationships between the sun and the earth in determining both short and long range weather.

It is sometimes easy to forget that the earth's weather has changed radically over the centuries and that as recently as 10,000 years ago—geologically speaking—we were in the grip of an ice age. For the benefit of those generations who will follow us we need to learn everything we can about the reasons why our climate changes so radically over time—and find out if it is possible and desirable to somehow control the mechanisms involved. This is another area in which the space program will make substantial contributions to the knowledge being gained by scientists in the atmospheric and oceanic research areas.

Since the mid-1960's the committee had increasingly devoted more attention to aeronautical R&D performed by NASA. It has been instrumental in reordering priorities within NASA to bring about more emphasis on major problems in aviation—ranging from noise to safety, to providing technology which will insure that the U.S. will remain preeminent in the international market place. About 75 percent of the civil aircraft flying in the world today outside of the Soviet Union were made in the U.S. The export of our aircraft has been one of the major plus components in our balance of trade.

The House reorganization assignment of civil aviation R&D could be considered as the underpinning for our entire civil air transportation system—including the air terminal, the air traffic control system, and the airplane. The change in jurisdiction brings the aviation R&D program of the Federal Aviation Administration under our committee. Additionally, by using our general oversight authority provided in the reorganization, we expect to make useful contributions by analyzing and comparing the R&D programs associated with all modes of transportation—air and surface.

I have talked about oversight throughout my remarks and emphasized its importance. While each of our subcommittees will carry out oversight of the programs under its jurisdiction, the House reorganization gave to the Committee on Science and Technology a responsibility not previously assigned to any committee of Congress—special oversight of all non-military R&D. This is an oversight function only and will not involve legislative authority for areas specifically assigned to other committees. It will, however, involve a systematic survey and analysis of all non-military R&D conducted and sponsored by the Federal Government with due regard to non-Federal R&D as well. Our objectives will be to make findings and recommendations concerning the best use of resources and the integration and coordination of major civil Federal R&D activities which will total about ten billion during fiscal year 1975. Another major purpose will be to insure comprehensiveness and to avoid major gaps, wasteful conflicts, and unnecessary duplication in national R&D.

While branching out and expanding into

our new jurisdictions, we will continue to place major emphasis upon the civilian national space program. Our constant objective is to insure that we will acquire the basic scientific knowledge for solving an increasingly wide variety of problems for the benefit of not just the U.S. but of all mankind—as Nell Armstrong put it so well when he first stepped on the moon.

As part of our current work we have been holding a series of hearings on "Federal Policy, Plans and Organization for Science and Technology." During coming months we expect to consider a bill to strengthen our national decision making process for using science and technology in major decisions. Also, we expect to continue our work in devising an acceptable conversion program to the metric system.

In summary, the new Committee on Science and Technology, of which I have the great honor and privilege to be the chairman begins the 94th Congress with a significantly enlarged jurisdiction. We plan to organize ourselves into seven subcommittees to handle the major areas I have talked about today: space, energy, science and science policy, environment and weather R&D, civil aviation and transportation R&D, and special oversight and forward planning for all non-military Federal R&D. We expect to move carefully, but as quickly as possible, in meeting our new responsibilities.

In closing, I would like to respond to those who attack the Congress as being ineffective and parochial. When future historians look back to these particular years I think they will find them significant for the many ways that the Congress has been adapting itself to a rapidly changing world. We have been redefining the ever-changing relationship between the Presidency and the legislative branch of government to search out solutions to the complex problems of today's world. And the Committee on Science and Technology expects to make major contributions.

#### HOUSE SEARCHES IN VILNIUS AND MOSCOW

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. DERWINSKI. Mr. Speaker, I remind the Members that last week the House commemorated the 57th anniversary of Lithuanian independence with appropriate discussion.

In view of the special interest that the Members exhibited, I am directing to your attention a special article in the December 1974 edition of the Lithuania Information Service bulletin telling of the oppression in the Soviet-occupied nation:

HOUSE SEARCHES IN VILNIUS AND MOSCOW—LITHUANIAN UNDERGROUND CHRONICLE IS THE TARGET

The Soviet secret police searched the homes of dissidents in Moscow and Lithuania on December 23, according to Andrei D. Sakharov, Chairman of the Soviet Human Rights Committee. He said that the house searches were part of an investigation into the Lithuanian underground journal, the "Chronicle of the Lithuanian Catholic Church."

On October 17, 1974, Dr. Sakharov transmitted to world church bodies and to world public opinion an appeal written by five Lithuanian priests who protested arrests of Lithuanians charged with printing religious

literature. The house searches and arrests are quite obviously part of Moscow's campaign to liquidate the underground presses in Lithuania. As the "Chronicle of the Lithuanian Catholic Church" had informed, the campaign is conducted under the heading of Case No. 345.

The "Chronicle of the Lithuanian Catholic Church" has been appearing regularly since November 1972.

The Russian dissidents in Moscow are collaborating with the Lithuanian resistants in translating the Chronicle into Russian and disseminating it to Western correspondents in Moscow.

#### IMPACT OF UNDERGROUND "CHRONICLE" ACKNOWLEDGED

The impact of the underground "Chronicle of the Lithuanian Catholic Church" on world public opinion has been acknowledged by the Communist press in Lithuania. The bi-weekly *Laikas ir įvykiai* (Time and Events, No. 18, Vilnius, 1974) writes:

"Anxious to exploit the religious feelings of the believers for anti-Communist politics, the Lithuanian clericals gave priority to slandering the Soviet government with the so-called 'persecution of religion and church,' and to depict the relations between the socialist state and the church in a distorted manner. The purpose of this is to exploit the religious superstitions of the believers for anti-Soviet purposes and to arouse among the religious working people a distrust in the socialist system of government. The bourgeois emigration is constantly accusing the Soviet government by using all kinds of fabrications about the so-called discrimination of the church. Efforts are made to spread the clerical lie in all the Lithuanian exile communities abroad, to reach the believers living in the Soviet Union, and to mislead the world public opinion."

#### LITHUANIAN INDEPENDENCE

### HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. SARASIN. Mr. Speaker, during the Middle Ages the Lithuanian people checked the German drive to the east, served as a bulwark for Europe against the Mongols and Tartars, and provided a calm of safety and freedom in the storm of authoritarian Russia. Drawn together to ward off these oppressive forces, Lithuanians encouraged education and toleration and allowed more individual freedom and expression than any of her neighbors. Yet, this peaceable country seemed doomed to subjugation; falling under Russian domination until 1915, suffering German occupation during World War I and, after a brief period of independence, being engulfed by the swelling forces of the Union of Soviet Socialist Republics.

Today, Lithuania constitutes a component republic of the U.S.S.R. and the Lithuania, people continue to ride the waves of oppression and maintain a fierce resistance to "alien" rule. The United States and the American people recognize their spirit and independence and we refuse to acknowledge Lithuanian incorporation into the Soviet Union. How can we ignore the fact that given the options of self-determination, the Lithuanian people adopted a permanent con-

stitution which vested legislative power in a Seimas or Parliament and executive authority in a President and Cabinet of Ministers, so like our own? Furthermore, the League of Nations admitted the new country in 1921 and Lithuania joined the ranks of the international actors in an increasingly interdependent world. How can the United States and any free nation abandon a nation of people straining to be free and caught in a web of restriction that limits their right to create their own destiny?

Following devastation and Nazi occupation, the Soviets concentrated upon industrialization and collectivization of agriculture in Lithuania, and overtly changed the profile of a free people to Soviet subjects trained and guided at every turn. The Lithuanian people, however, have managed to preserve the strength and beauty of a rich culture and heritage that political bondage minimized.

The Lithuanian World Congress under the auspices of the American-Lithuanian community demands Lithuania's release from "Soviet slavery" and grants moral support for those in Lithuania. They continue to battle for the realization of Lithuanian goals in education, religion, freedom of speech, and the right to own property in their homeland. Our American ancestors waged a similar struggle for freedom, and what more apt time exists than the anniversary of Lithuanian independence, February 16, to once again state our continued hope for future freedom and the full Lithuanian integration into the international community? We will continue to remember the plight of the Lithuanian people and rejoice in the victories. I am pleased to say that this anniversary marks the return of freedom of one Lithuanian citizen, Simas Kuodirka, who was finally granted the right to leave the land of his birth to pursue the kind of life that he desired. I hope that he will soon be able to join all Lithuanians in a true celebration of freedom and liberty.

#### CARLA HILLS—A SUPERB CHOICE FOR SECRETARY OF HOUSING AND URBAN DEVELOPMENT

### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. OTTINGER. Mr. Speaker, President Ford is to be warmly congratulated on his superb choice of Assistant Attorney General Carla Anderson Hills as Secretary of the Department of Housing and Urban Development.

Ms. Hills has a record of brilliant accomplishment that is extraordinary for a woman just 41 years of age. An honors graduate of Stanford University and Yale Law School, she was a professor of law at UCLA Law School and has coauthored two legal books. Before becoming head of the Civil Division of the Justice Department, she was a partner in the prominent Los Angeles law firm of Munger, Tolles, Hills & Rickershauser.

There has been some unjust criticism of the President's nomination on asserted grounds that Ms. Hills has inadequate experience in the housing, banking, and construction specialties important to revival of our ailing housing industry.

The criticism can only derive from lack of adequate information. Ms. Hills' law firm represented the Federal Home Loan Bank Board which assures the sound funding of our savings institutions which are the lifeblood of the mortgage market essential to construction of private housing. As Director of the Civil Division at the Department of Justice, HUD has been one of her largest clients, with more than 3,000 cases subject to her supervision ranging from condominium conversions to subsidized housing project problems, the entanglements of discrimination in housing, construction financing, labor disputes—in short, the entire range of HUD activities.

The fields of housing, construction, finance, and related problems are thus a pronounced part of Ms. Hills' knowledge and experience. In addition, she has excellent experience as an administrator, supervising 451 employees and an \$11,503,000 budget as head of the Civil Division.

But in my mind, the fact that she does not come directly from one of the industries related to housing is one of the principal virtues of the nomination.

In an era where we observe a government riddled with conflicts of interest—a Federal Energy Administration and Interior Department riddled with oilmen, a Federal Power Commission dominated by the energy czars, an Interstate Commerce Commission permeated with transportation industrialists—it is a delightful breath of fresh air to find the President nominating for one of the most sensitive posts in Government a person with no industry ties at all, able to deal with our national housing debacle with a fresh and unbiased approach. Would that more of the President's appointments follow the same standards of highest caliber and meticulous lack of conflict.

Ms. Hills' background of brilliance and achievement makes it highly appropriate that she should become just the third woman Cabinet member in our Nation's history. I am sure she will follow in the distinguished tradition of her predecessors, Frances Perkins and Oveta Culp Hobby.

#### REPRESENTATIVE LONG RELEASES 1974 TAX DATA

### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. LONG of Maryland. Mr. Speaker, in 1974, I paid \$14,658.46 in taxes, amounting to 31 percent of my income of \$46,997.15 from all sources, including U.S. Government, farm, interest, dividends, capital gains, rents, and annuities. Of this total, \$9,661.19 was for Federal income tax, \$2,865.26 was for State and local income taxes, and \$2,132.01 was for excise and real estate taxes.

#### THE 57TH LITHUANIAN ANNIVERSARY

### HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. CONABLE. Mr. Speaker, on February 16, Americans of Lithuanian origin or descent now living in this country marked the 57th anniversary of the re-establishment of the Republic of Lithuania in 1918. This anniversary reminds us of the large contributions the more than 1 million Americans of Lithuanian descent have made to the development of the United States and to the preservation of our ideals of freedom and liberty. Members of the Rochester chapter of the Lithuanian American Council are representative of this strong people.

Lithuania and her Baltic neighbors experienced a short period of independence for 22 years; the Soviet Union invaded them in June 1940 and those people remain under Soviet rule today. Because the Baltic people have not willingly accepted the domination of the Soviet Union, they have been removed from their homeland in an effort to destroy their unity and identity. More than one-fourth of the population has been moved, with many not surviving the process. Baltic leaders have called this action by the Soviet Union the most oppressive in their long history. Nevertheless, the Lithuanian and other Baltic people continue to yearn for their own independence and freedom.

Congress first passed House Concurrent Resolution 416 in 1966. The resolution provides that the case of Lithuania and the other Baltic countries be brought before the United Nations for consideration. We still support this tactic so that in this way the first steps may be taken to redress the grievances of the people of Lithuania and its neighboring Baltic States and to permit them the self-determination we advocate for all people.

#### DEPARTMENT OF DEFENSE TRANSFER OF RETIRED PAY BUDGET

### HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. RICHMOND. Mr. Speaker, it has come to my attention that the Department of Defense proposes to transfer the retired pay budget from their own budget to the Veterans' Administration.

This is a proposal which at first glance appears to lower the already high Defense budget when in actuality it does nothing to decrease expenditures.

Col. D. George Paston of the Ad Hoc Recomputation Committee has written a good analysis of this proposal and I would like to submit his remarks into the RECORD:

AD HOC RECOMPUTATION COMMITTEE,  
Brooklyn, N.Y., February 3, 1975.  
DEFENSE MANPOWER COMMISSION,  
THE PENTAGON,  
Washington, D.C.

DEAR SIRS: I refer to a proposal to transfer the retired pay budget to the VA to simplify

consideration and understanding of future defense budgets.

Many individuals and Congressmen point to increasing defense expenditures, for example, \$78.3 billion in FY 1972 as against \$45.9 billion in FY 1960. They say that defense budget should be cut—the money saved to be used for the welfare of our people. They overlook that in FY 1960, defense expenditures were 9.3% of our then \$495.2 billion Gross National Product whereas the 1972 defense expenditures were only 7.1% of the \$1,100.6 GNP.

If we remove the retired pay budget from the Defense budget, the latter budget will be decreased about \$6 billion. Politically and psychologically, it may reduce the clamor against the reduced Defense budget.

Pragmatically and actually, Uncle Sam's expenditures would be the same whether military retired pay is part of Uncle Sam's defense budget or part of Uncle Sam's VA budget.

Comparatively, some unit commanders transfer incompetent individuals to another unit ignoring the fact that the other unit is part of the same army.

An organization will die at its roots unless it uses a proper method to clear its rolls of those who for any reason cannot meet its standards. A military career has its obvious hazards. For the most part, military duties have no civil counterpart which means that the bulk of officers are denied an opportunity to develop skills which may be utilized to advantage in civilian employment. Fair and equitable retirement laws are a cornerstone of essential governmental military personnel administration.

Because the problem of superannuation must be met, retirement must be made compulsory upon attaining a fixed statutory age. Time brings its physical and mental impairments and ways must be provided to remove from the active list those who cannot meet a reasonable bodily standard. Responsibilities must be discharged efficiently and those who will not or cannot meet the professional standards must be eliminated. The old the infirm, and the least qualified must be identified and separated in order that there may be a suitable and regular inflow of the young, physically sound, professionally promising individuals.

The military person, whether full-time or part-time, accepts the hazards of life inherent in war. Since military duties have few direct counterparts in civilian employment, the termination of a military career presents most individuals so affected with the necessity of re-training and re-starting in order to provide the necessities of life for himself and his family. A military career is no bed of roses and the laws governing separation must be equitable to balance the hazards and shortcomings with the protection afforded.

The amount of retired pay is inadequate in itself without sharp reduction in living standards. The officer without other resources will require employment or other means of developing income to meet his needs.

Many important benefits provided for active duty personnel are curtailed or eliminated after retirement.

Disability retirement for non-regulars is based on a permanent disability, service-incurred, not due to misconduct or neglect, which renders the individual not qualified for continued active service.

An officer retired retains his status as an officer with many of its rights and privileges. He may be returned to active duty under certain laws. He remains on the official rolls of the service—

"The Army does not forget its old soldiers after they retire. It remains interested in their welfare, and wants them to serve in their civilian communities as loyal, informed representatives of the Army." (Letter to senior officers, 15 Sept 1955, General Maxwell D. Taylor, Chief of Staff, United States Army.)

Remaining interested in the welfare of its

retirees, the D/D would not seek to cast them aside. We believe the D/D will strenuously oppose transferring the care of D/D retirees to the VA or any other agency, particularly since such transfer would not save Uncle Sam a single penny.

Sincerely,

D. GEORGE PASTON.

## THE SUGAR ACT

### HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. DE LA GARZA. Mr. Speaker, since the defeat last session of the bill to continue the Sugar Act we have seen sugar prices skyrocket. Undoubtedly the very knowledge that the program which had done so much to stabilize supply and prices for 40 years was to expire at the end of 1974—as it did, was a big factor in this price rise.

Some of those persons who opposed continuation of the program have now changed their minds and would like to see the sugar program restored, at least in some modified form.

Mr. Speaker, the vice chairman of the House Committee on Agriculture, Mr. POAGE of Texas, recently spoke on this subject at a gathering of beet sugar people in California. I think the members of this body will find his remarks very interesting and thought provoking. I insert the text of his address in the RECORD at this point:

#### SPEECH OF HON. W. R. POAGE

Mr. Chairman: You have honored me by asking me to participate in your discussions of the sugar situation. I am not an expert on sugar. There are many phases of the industry with which I am completely unacquainted. I expect every one of you here knows more about the operation of our sugar program than I do, but it makes me feel important to have you want me to drive 300 miles and fly 3,000 miles just to talk with you. I left Waco this morning and must be back there tonight so I won't have much opportunity to enjoy the beauties of California.

I do, however, hope that we may find it worthwhile to review our sugar situation together, so, I will try to do that without any levity or side issues.

For a great many years, the United States has operated under a system of controlled sugar imports, and rather minor domestic subsidies. Most other major nations have developed comparable sugar programs. I believe the first sugar program was inaugurated in France under Napoleon. Great Britain has a world wide program, quite comparable to the one we have so recently abandoned. The Soviet Union has its own supply program using Cuba as its base.

When the American program was first inaugurated, President Roosevelt warned against relying too heavily upon domestic production because he recognized that production costs in the United States were inevitably higher than comparable costs abroad because in the tropics nature allows the sun to put sucrose in the cane plant 365 days where many of your northern beets have no more than 150 growing days. He warned also that if we are to maintain the high standards for American sugar workers, which the program has always provided, that the costs of production must be higher than foreign costs. That has been the basic fact justifying any domestic subsidy.

For 40 years the Congress and the American people saw fit to maintain this arrangement which guaranteed sugar workers the most favorable conditions enjoyed by any agricultural workers in our country; which assured American producers a price support structure on which they could make a small margin of profit, and which guaranteed American consumers an adequate supply of sugar at reasonable and stable prices.

The program succeeded. To the outsider, it doubtless may have resembled a "Rube Goldberg" invention, and I recognize that very few people in or out of Congress ever understood it. But the real test is that it worked. It gave America sugar when other countries had shortages. It maintained a remarkable stability of price and gave the American housewife sugar at more favorable prices than those of any major staple, but it is the nature of man to never be satisfied with what he has, and this spring the administration and a majority of the House decided to try "something else", although I must confess that I don't know what that something else is and frankly I don't believe they know either.

For many years our committee has sought a consensus of consumers, growers, workers, users and processors before we would undertake to pass a new sugar bill. For many years we have been able to secure some kind of consensus. Of course, we never had everybody in absolute agreement, but the program has been so helpful to all groups that each group has been willing to make some concessions in order to get a bill. This year too many groups seemed to feel that they could hold the bill hostage until all of that group's demands were met.

The labor unions, whose members have had an especially favorable position since the beginning of the program, felt that they must make a show of having achieved some new advantage for sugar workers, and they sent up a list of about 10 or 12 demands. Our committee gave them 6 of the items for which they asked but felt we could not go any further. The union representatives felt that they could run a bluff and announced they would support no sugar bill, unless it contained all of their demands.

The industrial users, to whom stability of price means more than even price itself, demanded that the committee eliminate the so-called "corridor". The committee agreed to extensive modification but refused to go as far as these users demanded. They, too, evidently felt that they could control the situation and announced their unwillingness to support legislation that did not meet one hundred percent of their demands. Again, the agriculture committee felt it was more equitable to compromise the various positions than it was to give this group all that they wanted at the expense of other groups. Thereupon the so-called industrial users adopted the same position that had been taken by the labor unions—"give us everything we want or we will do nothing to save the program".

Naturally, certain of the foreign producers were unhappy with the allocations made to their countries, but these allocations were all based on historical performance, and they could do little except make suggestions to the press that the Congress was assigning quotas to countries we considered to be friends of the United States and punishing those we considered to be our enemies. Personally, I am for rewarding my country's friends, but if foreign allotments were ever made on this basis they went back a long time because the 1974 bill changed foreign quotas only to make adjustment for failures to deliver and to grant forgiveness for failures where it could be established that these failures were the result of acts of God. Most of the foreign allotment holders supported the bill to the best of their ability.

The domestic growers seemed to be in full accord with the bill until the repre-

sentatives of the Hawaiian producers pointed out an equity in connection with the effective date of the abandonment of payments. There was some argument about this, but the committee felt that the Hawaiians made a valid case and made the correction requested.

The bill retained the basic division of the domestic market between beet and cane growers and split the cane production into segments. It appeared to be reasonably fair and satisfactory to the cane growers. It wiped out all of the tax on domestic and foreign sugar. It retained the tariff on imported sugar in order to continue the payment of a modest subsidy to domestic growers.

It should never be forgotten that over the life of the Sugar Act revenues have exceeded program payments by about 700 million dollars. Opponents of sugar legislation have tried to overlook this.

The refiners blew hot and cold. Like labor and like the industrial users they wanted to use this bill as an opportunity to assure themselves of more favorable treatment. In the final analysis, I think that at least half of the refiners supported the bill. The other half kept out of sight.

Personally, I have gone along with the philosophy that we should only bring raw sugar into the United States, and the American refiners and American workers should have the benefit of applying the refining process. The proposed legislation protected the refiners and their workers in this respect but I fear that in any new legislation there may well be a majority in the Congress who will want to wipe out this domestic advantage which they think may add to the final or consumer's cost of sugar.

Then came the professional consumer advocates. Of course, many of these people are sincere and well intended individuals, who think they are always helping the poor and unfortunate by immediately reducing the price of any commodity that the public has to buy. We all wish it were that simple, but in a private enterprise economy you are only going to get production to the extent that you offer the probability of rewards or profits.

Again, many of these self appointed spokesmen of the poor take the position that all profits are wicked and that it is the duty of the Government to see that nobody makes a profit.

I have never aspired to speak for the Governments of the Soviet Union or of the people's Republic of China. Possibly under their form of governmental economics all profits are wicked. However, since I have spent all of my life under a competitive profit system of private property, I must suggest that, in my judgment, profits are essential to assure adequate production in the United States of oil, church furniture, shoes, automobiles or sugar.

Be that as it may, the foes of the sugar bill spent two legislative days proposing changes and amendments, all or most of which were voted down by the members who had enough interest to stay on the floor. Unfortunately many who knew the least about the program did not bother to listen to the debate.

Finally, after completing all debate and all amendments, the House was called upon to vote on final passage. The voice vote was overwhelmingly in favor of the bill. Frankly, I felt we would have no further trouble. The speaker announced passage of the bill, but as was his right one of the members demanded a roll call vote, and since a quorum was not present, the vote was automatically granted.

For the first ten minutes, when most of those voting had been on the floor and heard the discussions, the vote remained overwhelmingly in favor of the bill, but during the last five minutes of the roll call when most of those voting had come in from their

offices without having heard any of the discussion, the vote went heavily against the bill.

The vote was, as I see it, a testimonial to the effective work of several special interest groups; first, the labor lobbyists; second, the industrial user lobbyists; third, the so-called consumer advocates; and finally the inexplicable but effective negative attitude of the administration including the Department of Agriculture.

Just about the time the sugar act of 1974 was being formulated the experienced career service leadership of the sugar division of the Department of Agriculture was removed and a sugar speculator was brought in from the futures market, and put in charge of the division, taking the attitude that the sugar act should be allowed to expire. When you put all of these forces together there was little chance for a continuation of the sugar program.

You beet people made every reasonable effort to pass a bill. Congressman John Zwach and Congressman Bob Bergland of Minn. and Congressman Bernie Sisk of California all did a fine and constructive job. Mr. Zwach has retired from Congress and Mr. Sisk was required by the new rules to give up his seat on the agriculture committee. We shall miss them sorely, but we are glad to have Bob Bergland remain on the committee.

The cane people were helpful and we had no foreign interference that I know of. In spite of what some headline-hunters have said, I have observed only three or four cases of foreign interference in sugar legislation over the years. Your own beet representatives realized the importance of processing facilities and tried to point this out to the members who so often overlooked this need. Some of the leaders of the opposition seem to think that you can put sugar beets on our dining tables and stalks of sugar cane in our soft drink bottles.

I think that many of those who voted against the bill expected, up until the last night of the Congress, that our committee would bring in some kind of bill, and I confess that I had hoped that we might keep "Humpty Dumpty" from falling off the wall. I had stated as clearly as I knew how that we were not going to have any last night sugar legislation, and we did not. We are not going to have any in the future if I can avoid it. I am afraid that "Humpty Dumpty" may never be put together again, but if he is while I am still chairman of the Agriculture committee, it is going to be done in broad daylight when all of the parties will have a chance to present their views and offer their amendments. I observed too often what I feel were the unfair and groundless charges and insinuations which were made against my friend and former chairman because of his practice of working out compromises the last night of the session. Anyway, the sugar bill is dead—dead at the hands of those whom it had served so well, and I have not felt that we have had the support necessary to pass a bill at any time since its defeat.

Now what of the future? I stated on the floor of the House that if we did not pass the sugar bill, I would not be surprised to see sugar go six-bits per pound. As a matter of fact, during 1974 consumers have paid 4.1 billion dollars more than they paid for sugar during 1973. Most of this increase came after the defeat of the bill.

This does not make me a prophet but it does establish the fact that over the years our sugar program did do a great deal to stabilize sugar prices. The opponents of the sugar program point to the fact that the price of sugar is now coming down. How low it will go, I don't know. Possibly low enough to make the production of sugar beets unprofitable in the United States, although, I hope we will avoid such a situation. If we do not and if the price of beet sugar goes below 18 or 20 cents, and we are

without any subsidy, beet growers are going to find themselves turning to more profitable crops like soybeans, corn and possibly in California to vegetables.

If sugar goes to these low prices, American cane producers are going to find that they cannot produce as cheaply as Mexicans across the Rio Grande or Brazilians along the Equator. What are we then to expect? I think it is clear that when the American sugar producers are destroyed, the American consumers are going to be at the complete mercy of foreign sugar cartels which will be just as ruthless as any group of foreign oil operators. Indeed the press has already reported that Mexico has called a meeting of the sugar producers in the Caribbean area to work out a united front. This, I fear, means to fix prices in the American market.

Of course, the sugar division of the department and other opponents of the sugar act hasten to assure any concerned consumer that with the present prices, American producers can make such profits that they will be scrambling to plant beets, and to the uninformed this all seems reasonable.

When the price of wheat went about \$4.00, all wheat farmers responded by planting the largest crop we ever grew. The "consumer advocate" immediately points to this and asks why the beet farmers won't do the same thing.

Of course, I don't need to give you the answer but for the record, beets are not worth as much as hay if you don't have a mill to process them. I don't know what it will cost to build a mill today. I would guess 40, 50, 75 or 100 million dollars. In any event, it will cost far more money than anybody is going to invest with no assurance that the whole American sugar business will not be turned over to foreigners in the next two or three years. Much the same situation confronts those who would like to increase their cane acreage.

The sugar program which expired so recently gave the assurance of stability which is so essential to long term capital investments. That stability is gone. Hopefully those of you who can get your beets crushed this year still have a chance to make good returns. But as foreign sugar displaces American sugar, I can give you little encouragement unless you are strong enough to stay in the business and to keep your mills running until the day comes, as it will certainly come, when foreign producers decide it is time to make American consumers pay through the nose. Then you can join the foreigners in reaping exorbitant profits. But I fear there won't be many of you around.

Therefore, maybe the more reasonable, and surely the more helpful attitude would be to try to get all of the interested parties to agree on some program which they can live with. I believe that if we can get a consensus we can pass some kind of program. Without pretty general agreement we won't be able to pass anything and we will all sink together.

To pass no sugar program will bankrupt American producers. It will destroy the sugar refining industry. It will reduce the economic position of sugar workers and it will cost industrial and household consumers untold billions. At least they have paid over 4 billion dollars this year which they did not pay last year. Those of us who wanted to maintain stability in the sugar business told them what defeat of the bill was going to cost. If they want to demand change simply for the sake of change neither I nor anyone else can estimate how much it will cost the American people, but we can be very sure that it will cost and cost billions.

My friends, I wish that I could leave on a more cheerful note, but I have tried to give you the picture as I see it. I hope that you will go to work with other groups and that you will soon be able to present a more attractive picture to the Congress.

## LITHUANIAN INDEPENDENCE DAY

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, 57 years ago, the Lithuanian National Council declared the State of Lithuania a free republic. As both an American citizen and a Member of the U.S. Congress, I hold representative government to be the fairest, freest system yet devised, under which man may seek, unimpeded, those inalienable rights of life, liberty, and the pursuit of happiness.

From 1918 to 1940, the Lithuanian Republic enjoyed such a government, but in June of 1940, the Soviet Union invaded this plucky Baltic State in direct violation of Lithuanian sovereignty. The election in July 1940, reflected the intense pressures on the Lithuanian voters and the success of the Soviets' election rigging tactics, for the new constituent assembly, meeting at the end of the month, actually petitioned Moscow for Lithuania's inclusion in the Union of Soviet Socialist Republics. The Soviets manipulative usurpation of power, their illegal and unconscionable exercise of military strength and political clout, and their total disregard for the independence and sovereignty of this 22-year-old Republic, and 724-year-old state, deserve the strongest denunciation, reproach, and censure the world's free nations, and all mankind, can offer.

I take pride in the United States' consistent refusal to recognize the Soviet Union's outright annexation of the Republic of Lithuania. To the Lithuanian people, presently struggling against Russian domination of their homeland, I offer my fervent support, and hope the symbolic value of this U.S. refusal to even tacitly condone the Soviet's action might further encourage and inspire those valiant men and women.

February 16, is Lithuanian Independence Day. The people of that eastern European nation no longer possess the freedoms of speech, press, religion, and assembly, and the freedom from arbitrary search, seizure, and unjustified arrest they once enjoyed.

As a part of their continuing efforts to regain these freedoms, so forcibly denied them, a large group of Lithuanian citizens and priests has been publishing an underground newspaper since 1972, entitled the "Chronicle of the Lithuanian Catholic Church." The Chronicle regularly reports violations of Soviet law and Lithuanian civil rights by Soviet police and Soviet authorities. In one of the more recent incidents, numerous homes were broken into and arrests made, as part of an official investigation of the Chronicle and the Lithuanian citizens associated with it.

I want the Lithuanian people and all Americans of Lithuanian descent to know I stand behind their efforts to win back the rights lost in the Russian annexation of their country. I salute them as I salute their cause.

## VOLUNTEER ARMY?

## HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. FRASER. Mr. Speaker, every cloud is supposed to have a silver lining. This may or may not be true. But I have discovered a trace of a silver lining in our grave economic situation.

Recruiting for the volunteer armed services has improved recently, and many attribute this to the recession we are now experiencing. As the New York Times pointed out in an editorial on the volunteer army February 5, "Recession and high unemployment rates, not any sudden turn for the better in long-term prospects \* \* \* are responsible for the recruitment improvements."

The silver lining I see is the additional time provided to us, if we will use it, to look closely at the volunteer army and volunteer literary concept. The Times editorial ends:

An early study by Congress of the financial, security and racial dangers involved in a continuing attempt to maintain a mass Army by voluntary recruiting appears essential.

Our Armed Services Committee ought to pursue such a study.

The editorial follows:

## VOLUNTEER ARMY

Recruiting for the volunteer Army, in difficulty a year ago, has improved in recent months. But this trend, two years after the effective end of the draft, conceals more than it reveals.

Recession and high unemployment rates, not any sudden turn for the better in long-term prospects, are primarily responsible for the Army recruiters achieving 105.3 per cent of their goal last October, as against 88.7 per cent a year earlier.

Quadrupling the pay of recruits, bringing their compensation to civilian levels or better, did not succeed in attracting enough enlistees before the recession—especially for the ground combat arms, where an extraordinary bonus was needed to avoid huge shortfalls. The cost to the country is indicated by the fact that the percentage of the defense budget going into pay and other manpower costs has risen from 42 per cent in 1964 to 55 per cent today, doubling that of the Soviet Union.

What will happen when the recession recedes and full employment returns is a question the Administration and both parties in Congress would prefer to ignore right now. But it can be regarded as certain that pressure to raise pay still further and to cut more deeply into force strength will increase.

Even less discussed is the rapid drift toward a heavily black Army officered predominantly by whites. In a population 11 per cent black, the proportion of blacks in the Army as a whole has risen by almost half since 1971 to a current level of 20 per cent, and even these figures understate the real problem.

Less publicized statistics, analyzed by two Chicago sociologists, indicate that among those enlisting in the Army for the first time the percentage of blacks reached 27 per cent last year. The re-enlistment rate among first-term Army men rose to 52 per cent for blacks compared with 35 per cent for whites. And one-third of those who signed up for the \$2,500 bonus for enlistment in the ground combat arms—artillery, infantry and armor—were black. The end result can be a force so largely made up of blacks as to destroy the integration aim.

Meanwhile, the myth that Army service can help by training deprived blacks for civilian jobs is little borne out by the facts. Usable civilian skills are least likely to be acquired in the ground combat forces, where most blacks are, while they are under-represented in the technical and support services, a vastly better training ground.

An early study by Congress of the financial, security and racial dangers involved in a continuing attempt to maintain a mass Army by voluntary recruiting appears essential.

## LITHUANIAN INDEPENDENCE

## HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. MADDEN. Mr. Speaker, the Lithuanian American Council of Lake County, Ind., on yesterday, February 16, observed its annual commemoration of Lithuanian independence at Gary, Ind.

The ceremony was attended by a great number of citizens of the Calumet region living in northwest Indiana. After the annual banquet, the program included a speaking program and patriotic songs and music of recalling the seven centuries of freedom enjoyed by this great nation until enslavement by the Communist Soviet tyranny in 1940. The following resolution was unanimously adopted:

## RESOLUTION

Whereas, February 16, 1975, marks the 57th anniversary of the restoration of independence to the more than 700 year old Lithuanian State, which was won and protected by the blood sacrifice of the Lithuanian people during the wars of independence of 1919-1920, and recognized by the international community of States; and

Whereas, the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law; and

Whereas, subjection of peoples to alien domination and exploitation constitutes a denial of the right to self-determination and the other fundamental human rights; is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and co-operation; and

Whereas, so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania having enjoyed the blessings of freedom for centuries is now subjugated to the most brutal Russian oppression and is nothing but a colony of the Soviet empire; and

Whereas, the Soviet Union, through programs of resettlement of peoples, intensified russification, suppression of religious freedom and political persecutions, continues in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for freedom and the exercise of their human rights.

Now, therefore, be it resolved, That we demand that the Soviet Union withdraw its military forces, administrative apparatus and the imported Russian colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps;

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity the denial of freedom and national independence to Lithuania and the other Baltic countries;

That the Soviet Union, in seeking a policy of detente with the United States, shall be requested to demonstrate its good faith and good will by restoring freedom and national independence to Lithuania and the other Baltic States;

That we are deeply grateful to the United States Government for obtaining the release of Simas Kudirka from a Soviet concentration camp and for securing his safe return to the United States;

That we are asking Senators and Members of Congress of the United States for their support of our requests;

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the United States Senators and Congressmen from our State, and to the news media.

## LITHUANIAN INDEPENDENCE DAY

## HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. BLANCHARD. Mr. Speaker, next year Americans will celebrate 200 years of independence—200 years of freedom. As we begin to prepare for our celebration of liberty, let us pause and remember a small nation that 57 years ago expressed a desire to be free. A nation that today still yearns for freedom.

Mr. Speaker, February 16, 1975, marked the 57th anniversary of the independence of Lithuania, a nation who enjoyed independence for only 22 years. Because in 1940 Lithuania was invaded by the Soviet Union and has ever since been forced to exist under Soviet rule.

Yet the spirit of the Lithuanian peoples lives on, nourished by a dream of liberty and fed with the undying determination of these brave people. Yes, the Lithuanians are prepared to sacrifice and take risks for a cause they truly believe in. Who can forget Simas Kudirka's aborted leap to freedom in 1970? Who can forget the self-immolation of Roman Kalanta that demonstrated a desire for freedom and an end to religious persecution? Who can forget the demonstrations of thousands of young Lithuanians for the same cause?

We believe that human rights should be respected. We believe the rights of the Lithuanian peoples have been violated and ignored. It is for this reason that the United States and other nations have still not recognized the forcible annexation of Lithuania by the Soviet Union.

It is my belief that the Lithuanians have clearly demonstrated their strong desire for freedom. As we prepare to celebrate our own 200th anniversary of independence, let us again reassure the Lithuanian peoples that they are not an "invisible nation." They are not a forgotten people.

## THE PATHS TO LIBERTY

## HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. DERWINSKI. Mr. Speaker, the United States has historically been known as a land that extends a welcome to people who flee from tyranny and oppression wherever it exists.

Despite the propaganda claims to the contrary, it is a fact that many individuals behind the Iron Curtain continue to suffer from the denial of their fundamental rights.

Therefore, it was with special interest that I noted an article in the February 10 edition of the Chicago Tribune, by Alice Siegert, discussing an episode typical of the problems besetting the citizens of East Germany. The article follows:

[From the Chicago Tribune, Feb. 10, 1975]

TRYING TO KEEP OPEN THE PATHS TO LIBERTY

(By Alice Siegert)

BONN.—Werner Fischer, 50 a choir singer, and his wife, Liese, 47, also a singer, quietly slipped out of their Tokyo hotel, stopped a taxi, and told the driver to take them to the West German Embassy.

That same night the couple, members of an East German orchestra-choir ensemble touring Japan, were on an air liner bound for Bonn after they had filed thru passport controls clutching brand new West German passports.

By necessity rather than choice, escape via third countries has become the most frequently used method of East German fugitives even if—as in the case of the Fischers—it involves traveling almost halfway around the world to reach a destination only a few hundred miles away.

But who wants to risk his life trying to cross the mined and heavily fortified East German frontier into West Germany?

Of the 5,324 East Germans who made it last year, 4,355 arrived here from countries other than East Germany, often after hazardous detours thru the East Bloc.

Yet if the East German government succeeds in its current campaign to have western governments recognize two different German nationalities, one of the last loopholes for would-be refugees may be closed. It would mean no more West German passports for East Germans who want to come to the West for political or other reasons.

The East Berlin government argues that Bonn's claim of consular representation of all persons of German nationality, whether they live in the Western or Eastern part, violates international law.

In pressing their case, the East Germans urge worldwide acknowledgment of separate East German citizenship and hope to achieve this thru a series of consular agreements with Western governments which already have recognized East Germany as a sovereign and independent state.

So far the three Western powers and other non-Communist countries have supported Bonn's view that there is only one German nationality although two German states in fact have emerged.

This claim is based on the West German constitution, which says that, "unless otherwise provided by law, a German within the meaning of this basic law is a person who possesses German citizenship, or who has been admitted to the territory of the German Reich within the frontiers of 31 December 1937. . . ."

Consequently, West German authorities have accorded German refugees from the

East the same rights as other Germans. This includes issuance of passports to East Germans who report to West German consular offices in the West with the request that they be allowed to live and work in the Federal Republic.

In their treaty calling for a normalization of relations, the two Germanys left the problem unresolved, West Germany ignoring a 1967 East German law proclaiming a separate East German citizenship.

But how long will the Western world resist the Communist demands? Austria and Finland, which because of their political status have to show special consideration for the Soviet Union, already have drafted consular agreements with East Berlin recognizing separate citizenship.

As Austria is a country where many East Germans arrive illicitly from neighboring East Bloc countries, turning to the West German embassy in Vienna for help, Bonn intervened.

The criticism provoked an angry retort from the Austrian government. But Chancellor Bruno Kreisky in an interview gave assurances that East German fugitives also in the future would not be turned back.

"If a German comes to us and says of his own accord that he is a German citizen and presents a West German passport we will treat him accordingly," Kreisky declared.

## FIGHTING THE TIDE OF TORTURE

## HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. FRASER. Mr. Speaker, Robert Karen's February 8 Washington Post article "Fighting the Tide of Torture" was adapted from an essay that originally was printed in the Nation. I am pleased that many people will have an opportunity to read Mr. Karen's piece about the work of Amnesty International.

Mr. Karen points out a basic but little known fact about Amnesty:

Its basic organizational unit, the "group," is responsible for three prisoners of conscience—one from the Eastern bloc, one from the West, and one from a nonaligned nation. This careful policy of neutrality has been a key to Amnesty's success. . . .

Mr. Speaker, the story of Ginetta Sagan and the San Francisco office of Amnesty International is a story worth telling. Mr. Karen tells it well in the Post's version which follows:

[From the Washington Post, Feb. 8, 1975]

## FIGHTING THE TIDE OF TORTURE

(By Robert Karen)

In the winter of 1945 in northern Italy, the Gestapo picked up a young Italian resistance worker and tortured her for 45 days. Convinced that giving them information of any kind would make her immediately dispensable, she never talked and in the end was made to type her own death sentence. However, on the day she was to be executed, two men in Gestapo uniforms took her away for some "final questioning." Inexplicably, they left her at a hospital and in two years she was fully recovered.

Today, almost 30 years later, Ginetta Sagan has become one of the major organizers for Amnesty International, the London-based group that "adopts" and fights for the release of political prisoners the world over. Founded in 1961 by a British lawyer, Peter Beneson,

Amnesty has 38,000 members in 32 countries and claims responsibility for the release of more than 10,000 political prisoners.

Sagan became involved with Amnesty International 1967, when the Greek junta took power; it was the first time since the war that repression and torture again touched her life. "I had a lot of friends who were in jail because so many of them had studied in France when I was there. My former professor there had just met Christos Sartzetakis, who is the judge portrayed in the movie Z. They were sending me file after file of prisoners and horrible, horrible stories of torture. I remember one in particular, the dean of a university who was 80 years old and given the *jalanga*—tying a person to a table and beating the soles of the feet until they are swollen. So painful, dreadfully painful."

In 1971 Sagan prevailed upon Melina Mercouri and Joan Baez to come to Berkeley for a concert to benefit the Greek relief fund. A crowd of 10,000 attended and Sagan has since proved that direct action to salvage individual lives can generate the kind of personal commitment that seemed to have faded with the anti-war movement. In the three years since that first Berkeley concert, Amnesty's West Coast membership (concentrated in California and Texas) has shot up from 52 to almost 52,000.

Today the San Francisco office at 3618 Sacramento Street has four full-time staff members, including Sagan and Kit Bricca, formerly with the Farm Workers. The region now accounts for about half of Amnesty's 100 U.S. groups, and the leadership understandably believes that similar organizing elsewhere in the country would produce comparable results. Recently Amnesty hired Joel Carlson, a South African civil rights lawyer who was forced to leave his country in 1971, to be full-time national coordinator, an investment which it hopes will lead to the creation of regional offices in Chicago, Denver, Atlanta and some place in Texas.

All this activity for human rights would be a cause for celebration were it not for the historical events which have helped to generate it. In the short time since Ginetta Sagan began organizing for Amnesty, there has been a marked increase in political repression and a severe upswing in the use of torture. In the last few months, Amnesty papers on Chile and North Korea and a worldwide survey called "Report on Torture" have revealed that not only is freedom of speech and association endangered by state action but torture, remarkably similar to the kind the Gestapo practiced in Italy and throughout occupied Europe, seems to be spreading in epidemic proportions across the continents.

"When talking with the victims of torture today, I have a sense of *deja vu*," says Sagan. "The same thing—interrogation, beating, fear, insult, degradation. They really want to destroy you as a human being, to reduce you to the level of a groveling animal."

The data Amnesty has gathered over the past 10 years on the detention policies of some 62 nations indicate that torture is a perennial form of political oppression.

It would be impossible to enumerate all the methods now in use. Old standbys from near drowning and suffocation to pulling out the fingernails are still prominent. But "Report on Torture" also enumerates modern developments. The omnipresent electric shock is probably the key contribution of advanced technology. Psychological and manipulative techniques, such as sensory deprivation, isolation, exhaustion, degradation and threats (of permanent injury, disease, economic retaliation, or harm to one's family) are more widely and sometimes more cleverly applied. Sagan relates that in Brazil and the Soviet Union the secret police have been

known to torture people while showing slides of members of their families, creating an association of family with pain.

Perhaps the most important new weapons available to modern torture are the scores of drugs which terrify and melt the will of their victims. None of these drugs can force anyone to reveal what he has the courage to withhold; most, if the victim survives, will have no lasting physiological effects, though the emotional damage is frequently severe and permanent; and virtually all have some legitimate medical use. But the fears of the victim, the threatening atmosphere and the extremely unpleasant physical sensations make these medicines a potent form of terror.

While a sadist is the most likely candidate for a career in interrogation, recent clinical tests seem to demonstrate that many people, normally indisposed to cruelty, will nonetheless administer pain if told to do so by someone in authority. That is a crucial point when one considers the scores of doctors and nurses—some of whom are presumably not sadists—who, in the ultimate perversion of their professional roles, show up at secret police villas to act as consultants and practitioners of the black mechanics of interrogation. "Torture could not take place without the cooperation of physicians," says Sagan. "It is the doctor who examines the prisoner before interrogation, it is the doctor who says how far they can go, it is the doctor who treats the victim of torture and who remains silent."

It must be understood that torture is a very inefficient means of gathering information and for the most part is not used for that purpose. That fact is reflected in the black humor of South Vietnamese interrogators, who have been heard to say, "If they're not guilty, torture them until they are!" Torture is a weapon, widely perceived as a proper response to domestic or colonial insurrection, and sometimes openly advocated by counter-insurgency strategists. All told, according to the Amnesty report, at least 30 nations use torture as an administrative routine and have given free rein to men and women who achieve personal gratification from the destruction of other human beings. These torture states share information, educate torture trainees from less developed police states, and have even produced films on the subject (one found in the secret police headquarters in Portugal was made in part to instruct prison doctors).

Unfortunately, many victims of torture, including Sagan, have been unwilling to discuss their ordeals. Torture victims are often deeply ashamed of what has been done to them and what they have been made to do. Many have lasting and often disastrous emotional disorders.

"I wasn't able to talk about it for many years because of the humiliation and the degradation that they forced on me," says Sagan. "That is why I feel strongly that the Amnesty project of help to care for the victims of torture and to rehabilitate them psychologically is an urgent and crucial one. I wouldn't want anyone to go through years without being able to share, to talk, and to be assured that we are human beings still. It is hard for any person to think himself still human after they strap you to a table, after they insult you, and after they force on you these unspeakable, unspeakable, unspeakable, unspeakable actions."

Sex, degradation and power form a special weave in the torturer's mentality. An obsession with excrement and urine and forcing prisoners to smear themselves is common. So is rape and demeaning sexual positions.

What Amnesty offers the political prisoner and the victim of torture is the promise that his case will not be forgotten. Its basic organizational unit, the "group" is responsible for three prisoners of conscience—one from the Eastern bloc, one from the West, and

one from a nonaligned nation. This careful policy of neutrality has been a key to Amnesty's success, and with political oppression so widespread, the meticulous nonpartisanship is unfortunately easy to maintain.

Letters on behalf of adopted prisoners are sent to the United Nations and other international bodies, to the press, and to the responsible government. Amnesty International sends observers to trials of those accused of political crimes and, when possible, visits prisons and interviews prisoners and ex-prisoners.

Its success is a testament to the power of public opinion. And yet, within and without the responsible state, public opinion is a difficult weapon to mobilize. "I can understand the fear," says Sagan. "Anything that threatens the status quo or the fragility of our day-to-day existence is better pushed back into the unconscious. It is much more comfortable to go on with our daily lives without worrying about the man in Czechoslovakia who has been picked up, who has lost his job, who is being held some place incommunicado. But the only way to break the power of the secret police is if enough people speak up."

Can it happen here? Amnesty does have 30 prisoners of conscience in the United States, most of them members of ethnic minorities who were caught in situations where racial and/or political prejudice was evident in the arrest, conviction or sentencing. It has also described numerous instances of police and prison brutality. But regarding torture, it has concluded: "It would be incorrect to suggest that there is an administrative practice of torture by the law-enforcement authorities of the United States within their own domestic jurisdiction."

Still, there is reason to be concerned about the U.S. position. As a major supplier of funds and hardware for foreign military and secret police, the country bears a responsibility for how these resources are used. Our government has never officially condemned the practice of torture in Brazil, although there is no disputing its prevalence, and there is a persistent suspicion, bluntly portrayed in the movie "State of Siege," that the United States provides the training for many of Latin America's novice interrogators. To bring the issue even closer to home there have been widespread reports, abundantly documented by the confessions of repentant GIs, of direct involvement of American troops in the torture of Vietnamese.

The very personal quality of caring which Amnesty offers is evident in the title of a new quarterly magazine, Matchbox, which is being published by the West Coast office. The name derives from an incident during Sagan's imprisonment by the Gestapo. A few nights after she had been forced to watch a comrade tortured to death, one of her jailers began cursing her and then kicked open the door to her cell and threw in a loaf of bread. "I was hungry, I wanted to eat, but at the same time the thought crossed my mind that perhaps it was poisoned. But when I picked it up and started eating, I chewed on something hard. It was a little matchbox. There were matches inside and a piece of paper saying: 'Coraggio. Lavoriamo per te.' Take courage, we are working for you."

#### ONE MILLIONTH U.S. TRADEMARK

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. RICHMOND. Mr. Speaker, it is with great pleasure that I submit the following address by Mr. Benjamin Eisenstadt, president of the Cumberland

Packing Corp., for entry into the RECORD. This address was given upon the presentation by Hon. Frederick B. Dent, Secretary of Commerce, of the 1 millionth trademark issued by the Patent Office.

This is truly a memorable occasion since it marks the progress and protection of private property and industry in the United States. The importance of both human rights and property rights cannot be underestimated in this great country of ours.

Mr. Benjamin Eisenstadt is a constituent of mine and is a successful and highly respected businessman in the 14th Congressional District. He has done an outstanding job as president of the Cumberland Packing Corp. and is rendering superb service to our great State and country.

The statement follows:

ADDRESS BY MR. BENJAMIN EISENSTADT, PRESIDENT OF CUMBERLAND PACKING CORP., UPON THE PRESENTATION BY MR. FREDERICK B. DENT, SECRETARY OF COMMERCE, OF THE ONE MILLIONTH TRADEMARK ISSUED BY THE PATENT OFFICE

It is with extreme pleasure that we accept the one millionth Trademark issued by this department. It is not only figuratively but literally true that this is the "one chance in a million" so proverbial in song and story.

But we cannot truly take pride in a fortuitous circumstance that has given Sweet N Low this distinction. This is a happenstance that could have befallen any one of a thousand other applicants. It is far more fitting to take this occasion to pay homage to the system of government that makes patents, copyrights and trade-marks possible. Our real fortune is to live in a Country that recognizes not only the worth of each of its Citizens but also rewards the efforts, skills and industry of its business community.

We feel that this is far more than a proprietary right to a name or design. It is an affirmation of the American ideal of values. It is an implied pact between all the people of the United States and one or a group of its citizens that in exchange for the exclusive use of the granted trade-mark the recipient will so conduct the affairs of its business as to bring not only profit to the holder but will also benefit the entire community by its fair dealings.

In a large measure we believe that the greatness of this Country is based on the belief that in order to bring the greatest benefit to all Americans we must value with equal passion property rights as well as human rights. In a World racked by doubts and indecision and divided by contrasting ideologies the affirmation of this belief is paramount.

Like the well known song about love and marriage, a prosperous and stable world cannot have one without the other. Property rights and human rights are two sides of the same coin. Property rights without human rights is tyranny and injustice. Human rights without the recognition of property rights is anarchy and lawlessness, but both in equal measure spell liberty and freedom.

The rights and obligations under the laws relating to patents, copyrights and trademarks as administered by this department are a shining example of this blending of property and human rights. It is not by accident that such laws are practically unknown in those Countries practicing a different philosophy.

On one hand we have given to individuals and Corporations by these laws the right to reap the benefits of ability and knowledge. Each person is unique unto him-

self. He has a name which is exclusively his own. He has fingerprints unlike that of any other human being. Trade-marks are the fingerprints of American Industry. It makes it possible for any business enterprise to be unique and bring its uniqueness to the attention of the World. Of course, just as with any individual the value of this uniqueness depends not on his name or fingerprints but what talents he brings to bear in its use. So it is with a trade-mark. Its value can be measured only by those who are benefited or abused by its use. On the other hand the mark also protects the human rights of both the owner and the individual user of the product or service identified by the mark. Unlike in many other Countries he is free to value and choose among many and diverse brands of similar services and products. The American Public will decide which shall prosper and which shall fail. This is as it should be, and as long as industry has the right to make a product or render a service and label it with its mark and the Public has the right to make its unfettered judgement upon the value of that product or service then we have no need to fear for the strength and viability of the American economy.

As for us we shall unceasingly strive to make the product or products bearing the name Sweet & Low live up to these precepts so that at the presentation of the two millionth mark this great land of ours will still be living and prospering by these values.

#### NEED OF GENERAL TAX REFORM CITED

**HON. JAMES A. BURKE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, I rise today to bring to your attention an article that appeared in the Boston Herald-American on February 11, 1975. Tom Wicker, the author of this piece, points out the need for both general tax reform and changes in the structure of the regressive social security system. I wholeheartedly agree with him. Mr. Speaker, as you know, I have, along with well over 100 of my colleagues, already introduced a bill which will reduce the social security payroll tax from 5.85 percent to 3.9 percent, enlarge the taxable wage base from \$14,100 to \$25,000, and make the cost of the social security program a three-way split—between the employer, the employee, and the Federal Government.

Mr. Speaker, many times I have risen to speak out on the need for tax and social security reform. And it is a pleasure to hear somebody else speaking out on the same topic. Therefore, at this time, I would like to insert Mr. Wicker's article into the RECORD so that you, and my colleagues, will have the benefits of his comments:

#### NEED OF GENERAL TAX REFORM CITED

(By Tom Wicker)

In the current zeal for tax-cutting to infuse buying power in a recessionary economy (George Meany says it's really a depression), it would be all too easy to forget two longer-standing needs—for general tax reform in favor of lower income persons, and for some adjustment of the regressive Social Security payroll tax.

The Congressional Joint Economic Committee has just published evidence of both needs, in a startling report that shows the biggest increases consumers had to pay in 1974 were in their income taxes and in the Social Security levy—26.5 percent for the former and 21.6 percent for the latter, against only 14.3 percent for transportation, 13.5 percent for housing, and 11.9 percent for food (all percentages based on a family of four with an income of \$14,446).

The committee report was full of other evidence that under the American tax and economic system, the rich generally get rich and the poor get poorer, all soak-the-rich myths to the contrary.

Prices increased in 1947 at a greater rate for food items frequently consumed by low-income families than for foods favored by the affluent; plus \$50,000-a-year families added up to 12 percent to their incomes without going into a higher income tax bracket, while poorer families with similar percentage increases in income had to pay taxes at higher rates in 1974; federal, state and local income taxes rose an average of 31 percent from 1973 to 1974 for families of four earning \$9,320, while in the same period these taxes increased only 26.5 percent for similar families earning \$14,466 and \$20,883. As the committee concluded:

"Not only are (the poor) less able to cope with inflation because of their limited discretionary income, but low-income families and individuals have also suffered price increases significantly greater than those experienced by upper-income consumers."

That is one good reason why many members of Congress, including the Democrats on the House Ways and Means Committee, want to revise President Ford's tax reduction proposals to provide greater benefits to low-income persons, despite the strain "big ticket" argument put forward by Ford and his economic advisers.

The administration wants a significant proportion of its proposed \$12 billion rebate on 1974 personal income taxes paid in sums as high as \$1,000 to families with incomes up to \$40,000, on the theory that these higher-income families will more likely spend the rebate on "big-ticket" items such as refrigerators, washers, dryers, and autos.

Stimulating demand for such consumer durables will most quickly put more people back to work, the administration theorizes, while bigger rebates for lower-income families would mostly go for food, an expenditure which would have far less effect on unemployment.

But that argument for weighting the rebates to the higher brackets is hard to sustain against the evidence showing that low-income people are hit so much harder by inflation than the more affluent. Where buying power has most sharply declined is at the lower end of the scale; weighting tax rebates and reduction to that sector ought therefore to be highly stimulative, as well as providing justified relief to the hardest pressed.

For the long pull, however, the clear need for a general reform of the income tax structure, taking into account the impact—sharp in some cases—of state and local income taxation, and putting the burden more heavily on the upper-bracket taxpayer, ought next to engage the Ways and Means Committee. The new liberal majority of that panel, charged by the Constitution with originating tax measures, also would do well to turn soon to the burdensome Social Security payroll tax.

This year, workers earning from virtually nothing up to \$14,100 a year pay a full 5.85 percent of their earnings in Social Security taxes—a total of \$824.85 at the maximum. But people earning \$20,000, \$50,000, \$100,000, while they pay the same total of \$824.85 on their first \$14,100 of income, obviously pay a declining percentage of their earnings as the latter rise. And even disregarding the ex-

treme regressivity of the tax, the 5.58 percent rate is a heavy burden on the earnings of low-income persons.

The Social Security advisory council is reported to be considering a recommendation that the wage base on which Social Security taxes are levied be raised to \$24,000. At present rates, that would mean that anyone earning that much would pay \$1,404 against the maximum of \$824.85 he or she will pay this year. This would go far toward eliminating regressivity and would greatly increase Social Security revenues without a further rise in the tax rate. As the system is presently designed, it would also mean substantially higher retirement benefits for the well-to-do—against the present maximum of \$474.45 monthly for a husband and wife.

Such a rise in the wage base would not, however, ease the heavy burden of a 5.58 percent payroll tax on low-income workers, and it would be deflationary in this period of recession. Why not institute a graduated payroll tax now, providing more tax relief this year to low-income workers, and a higher wage base to take up the slack in revenues after the economy has turned upward?

#### COMMEMORATES 57TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

**HON. H. JOHN HEINZ III**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 17, 1975

Mr. HEINZ. Mr. Speaker, February 16 commemorated the 57th anniversary of the short-lived independence of Lithuania, a country that has suffered much injustice in recent decades. As our own Nation prepares to celebrate its 200th anniversary, it is especially fitting that we pay tribute to this small Baltic country that was known to history hundreds of years before the discovery of America.

During little more than two short decades of independence, from 1918 until it was forceably annexed into the Soviet Union in 1940, Lithuania made great strides toward providing a better life for its citizens. Its constitution granted freedom of speech, assembly, religion and communication. Agriculture, the major occupation of Lithuania, enjoyed significant advancement. With a land reform program, Lithuania became a nation of small farmers.

Industrialization progressed as well, increasing the number of industrial establishments from 151 in 1913 to more than 16,000 in 1939.

Lithuanians also witnessed the introduction of the 8-hour day and such social legislation as a labor control law. Lithuanian literature, opera and other music also flourished.

Lithuania's era of progress ceased when the Soviet army occupied the country during World War II and declared it to be a constituent republic of the U.S.S.R. in August 1940. During this occupation Lithuania suffered the loss of an estimated 45,000 people who fled or were arrested or deported.

Less than a year later, Nazi forces overran Lithuania, making the country one of the first to experience the aggression of both Stalin and Hitler. As the

war progressed and the tide turned against Germany Lithuania returned not to independence but to Soviet domination.

The United States has never recognized the Soviet incorporation of Lithuania and the other two Baltic States, Estonia and Latvia. Though stripped of their freedom, these brave people continue to strive to maintain their national identity and their dignity.

It is to our credit that we have not, and will not, abandon our support of the Lithuanian people's aspirations for a free and independent existence. I share with Lithuanians everywhere their pride and hopes as reflected in the words of their national anthem:

Lithuania, land of heroes,  
Thou our Fatherland that art,  
From the glorious deeds of ages  
Shall Thy children take heart.

May Thy children ever follow  
Their heroic fathers  
In devotion to their country  
And good will to others.

May the sun of our loved shore  
Shine upon us evermore;  
May the right and the truth  
Keep our pathway lighted.

May the love of our dear land  
Make us strong of heart and hand,  
May our land ever stand  
Peaceful and united.

## HOUSE OF REPRESENTATIVES—Tuesday, February 18, 1975

The House met at 12 o'clock noon.

Rabbi Leib Pinter, B'Nai Torah, Brooklyn, N.Y., offered the following prayer:

Father in Heaven, whose sovereignty is everlasting, who grants dominion unto governments, we seek Your blessing and protection for this Nation, the United States of America. Grant wisdom to her leaders to guide her in the path of peace and prosperity.

כי לב מלאכים ביד השם

For the hearts and the thoughts of rulers are in the hands of the Almighty.

We do, therefore, pause to acknowledge Thy Lordship and ask Thy blessing upon those of us to whom are given the special responsibilities of this great country.

Direct us, O Lord, in all these, our doings, and grant us the gracious favor of Thy continued help that all our works, begun, continued, and concluded in Thee, may glorify Thy holy name.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed the following resolution:

S. RES 81

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Honorable Jerry L. Pettis, late a Representative from the State of California.

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved*, That when the Senate adjourns today, it adjourn as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Vice President, pursuant to Public Law 91-452, appointed Mr. STAFFORD to the Commission on the Review of the National Policy Toward Gambling in lieu of Mr. BEALL, resigned.

### RABBI LEIB PINTER

(Mr. SOLARZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLARZ. Mr. Speaker, this morning we had the pleasure of having the opening prayer delivered by one of my constituents and good friends, Rabbi Leib Pinter, of Brooklyn.

A graduate of the Mesivta Talmudical Seminary, Rabbi Pinter was ordained in 1964. He has also been awarded the B.S. degree by Brooklyn College and the M.S. degree by Long Island University. Since 1968 he has served as the spiritual leader of Congregation B'Nai Torah in Brooklyn.

In addition to his religious duties, Rabbi Pinter has also dedicated himself to furthering Jewish education. For 3 years he served as an instructor of Talmud at the Yeshiva of Eastern Parkway High School, for 3 years as principal of that institution and for 2 years as the registrar of Mesivta of Eastern Parkway Rabbinical Seminary. In 1972 he became the founder and president of the B'Nai Torah Institute in Brooklyn. He presently serves as the institute's dean.

B'Nai Torah Institute is comprised of three academic divisions—the high school, the Bais Hamedrash for high school graduates who concentrate exclusively on Hebrew studies, and the Kollel for intensive religious studies for post-high school students. The Kollel students are the young men who are destined to become the instructors and Roshai Yeshiva—deans—of future generations. The B'Nai Torah Institute operates a 12-month program and during the summer the young men pursue their studies at a camp in the Catskill Mountains of New York.

A truly unique and dedicated person, Rabbi Pinter has served as the president of the Conference of Associated Yeshivas, 1974; New York State Yeshiva High School Principal's Association, 1972; and the Council of Jewish Manpower Associations, 1973.

Married and the father of four children, Rabbi Pinter is one of the 13th Congressional District's most active and respected residents. His effective efforts in the areas of education and manpower programs are particularly noteworthy and I am delighted he could be here with us this morning.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, I wish to further commend Rabbi Pinter on the invocation he delivered to the House today.

Mr. Speaker, it has been our privilege this morning to have the invocation delivered by a distinguished leader in the American Jewish community, Rabbi Leib Pinter. I am sure that my colleagues in this august body were impressed and inspired by his moving words.

Rabbi Pinter is a noted scholar and educator who serves as dean of the outstanding B'Nai Torah Institute in Brooklyn, N.Y. I am familiar with its work and wish to applaud its efforts publicly. On this occasion, I shall now enter some extended remarks in the CONGRESSIONAL RECORD.

### B'NAI TORAH INSTITUTE

The "average man" is the blessing of modern democratic society and also its curse. Goals are set with the "average man" in mind, policies enunciated, laws promulgated, institutions established, schools erected—all to serve the needs of Mr. John Doe. Thus, neither the "elite" nor the "rabble" determine the public framework of our society; which is a blessing, because it meets the needs of the many and not merely the few.

But what of the few? What of the underprivileged and the disadvantaged? Must they fall by the wayside? How much valuable potential is lost because society cannot afford to pay individual attention to the needs of the poor, the uneducated, the unskilled?

And what of the gifted? Are their talents and intellectual abilities to be wasted because they must conform to the norm? Are they to be restrained from achieving the possible because our institutions are geared to reach the average attainable?

Fortunately, this is a free country and any individual can theoretically reach the heights of his ultimate capabilities. But, since government must limit its concern and assistance to the many and not the few, the striving and ambitious individual must reach his goals on his own, or with the help of other private individuals. The history of our country is replete with examples of men and women who have done just that—and America is the better for it.

### EXCELLENCE IN EDUCATION

The problem is particularly acute in the field of education. All children are not created equal, at least in their intellectual capacities and talents. Ideally,